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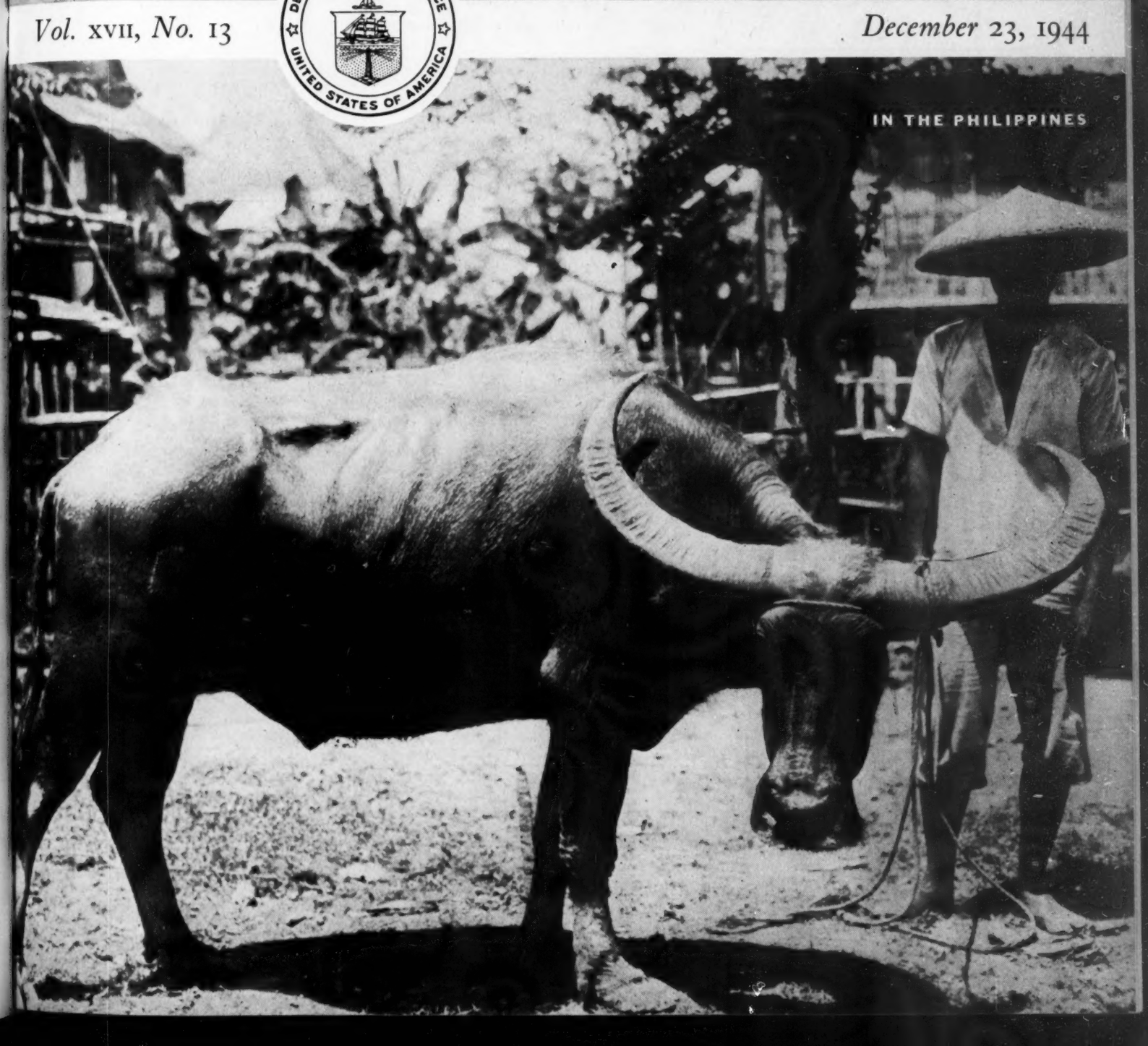

Foreign Commerce Weekly

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Issued by the UNITED STATES DEPARTMENT OF COMMERCE, JESSE H. JONES, *Secretary*

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LUZON—

"Empire State" of the Philippines

By MARY A. PUGH, *Far Eastern Unit, Bureau of Foreign and Domestic Commerce*

OF THE MORE THAN 7,000 ISLANDS which constitute the Philippine Archipelago, 2—Luzon and Mindanao—account for 67 percent of the total land area. Luzon, with its 40,410 square miles and 7,375,000 inhabitants, or 46 percent of the Filipino people, is larger and considerably more densely populated than Mindanao. It contains more than 50 percent of Philippine highways, or 7,250 miles of roads, and all but 132 of the country's 840 miles of railroad.

Malayans Settled Luzon

Ancient migrants from the great Malay regions of southern Asia, moving in waves to the north and east, sought new homes in the fertile valleys of the impressive chain of islands which extends from Borneo almost to China's coast. Pressing forward gradually through the years, some arrived at Mindanao via the Sulu Islands; others—perhaps more adventurous—steered their course north of Borneo to find a route to Luzon over the long, narrow island we now know as Palawan, and on across Mindoro, which lies directly south of Luzon. Mohammedan hordes, too, last of the pre-Spanish peoples to reach the Philippines, fought and plundered their way as far north as Luzon.

In 1570, from his settlement on Panay Island, Legaspi, who had been sent by the King of Spain to prepare the way for colonizing the Philippines, heard of a prosperous Moro (Mohammedan) town in the north, "Maynila," and promptly sent an emissary to capture it. Soon thereafter Legaspi came himself to the settlement on the south bank of the Pasig River, recaptured the town—which he found burned by the natives upon his arrival—and subdued the Kingdom of Tondo on the river's north bank. Finding the settlements at the mouth of the Pasig already a trading center touched regularly by Chinese trading junks—and perhaps sensing the strategic site—Legaspi rebuilt the city, made it the capital of King Philip's distant Isles, and became its first Spanish Governor.

Manila Develops

From Manila expeditions stemmed north, east, and south, subduing distant towns which resisted Spanish authority, and in 1574 the King of Spain proclaimed Manila the "Distinguished and Ever Loyal City" and Luzon the "New Kingdom of Castilla." There followed more than 200 years of monopolistic trade between Manila and Mexico, with Spanish galleons making their hazardous and tedious journeys carrying cargoes of fine fabrics and porcelains from the Orient and taking back large amounts of Mexican dollars which later became the familiar "Mex" or trade dollar all down the China coast.

Many of these early trade carriers were built by the Spanish Government in Sorsogon Province at the southernmost tip of Luzon. Laying their course for Mexico via San Bernardino Strait—that narrow passage where more recently the Japanese met disaster—a number of the galleons were wrecked while navigating its dangerous currents.

When the end came to the galleon trade early in the nineteenth century and Manila was finally opened to foreign commerce, the city's position as heart and center of Philippine government and business activities was well assured.

Early American Trade

Even at this date American businessmen were not unaware of Manila's trade possibilities. Boston clipper ships, engaged in business with China, made the city in Luzon a port of call, and two American firms established commercial relations which lasted until after our War Between the States. More than a hundred years later, in 1935, clipper ships of a vastly different era—Pan American's giant seaplanes—also made Manila a port of call.

A city of 620,000, Manila before the war was connected with leading ports of the world by some 50-odd steamship lines. Regular shipping schedules also were maintained with 60 other ports in the Philippines, from Aparri in northernmost Luzon to Jolo in the Sulu Archipelago at the extreme south. One of the finest ocean piers in existence was the pride of Manila Harbor, and in 1940 export trade passing through the port was valued at $71,250,000, or 45 percent of all exports from the Philippines. Imports handled in the same year amounted to $120,150,000, or nearly 90 percent of total imports into the country. In his choice of a "distinguished" city, Legaspi dreamed far better than he knew!

As Manila grew in commercial significance the island of Luzon gained importance in the country's slowly developing economic life. Possibly the most richly endowed of the amazingly rich islands Spain was destined to rule for more than three centuries, Luzon is of varied topography, with elevations ranging from a foot or two above sea level

Manila Port Terminal Building.

to mountain summits over 7,000 feet high.

In the north a broad valley, bounded on east and west by mountain ranges, extends more than 120 miles. Flowing northward through this region, the Cagayan, largest river in the Philippines, drains with its tributaries an area of approximately 10,000 square miles. Native bancas still ply the river's swift current, but much of the Cagayan's ancient importance as a means of transportation for products of northern Luzon has been lost, as highway routes now parallel the river's course, connecting with northern termini of the Manila Railroad.

To this fertile valley Spanish missionaries from Mexico first brought the tobacco plant, and today 70 percent of the Philippine crop comes from Luzon, the two provinces of Cagayan and Isabela alone accounting for nearly half the annual production. Cagayan valley is also one of the country's important rice-producing districts.

Mountain Province

West of the valley sprawls Mountain Province, from which comes most of Philippine gold and, more recently, copper. In this largest province in Luzon live the greatest percentage of non-Christian Filipinos—Igorots, Ifugaos, and Kalingas—who stubbornly resisted the inroads of Christianity. Leaving the lowlands to adherents of the new faith, they clung tenaciously to their mountain communities, where, long before the Spaniards came, Igorots were bartering gold nuggets for less valuable wares.

It has been said that, because of much experience, these mountain peoples have made more skillful miners than many possessing the advantages of applied knowledge of chemistry and engineering. In other directions, too, natives of Mountain Province have shown remarkable skill and initiative. Nowhere have Filipinos developed irrigation to the point reached by the Ifugaos. Their more than 12,000 miles of rice terraces, which adorn the mountainsides, are an amazing exhibition of engineering achievement. It is believed to have taken from 1,200 to 1,500 years to build them, and they stand today a veritable monument to the perseverance and patience of hand labor.

For many years Mountain Province was comparatively isolated, made largely inaccessible by its own rugged terrain. With an area of 5,450 square miles, the province as recently as 1938 had but 72 miles of first-class road, consisting primarily of the Benguet road to Baguio, mountain resort and summer home of the national Government, the approach to which was planned and constructed in the early years of American occupation. Most roads in the province are but second or third class, while nearly 550 miles of trails climb the mountain slopes.

Thus removed from sources of supply in the usual market places, natives of Mountain Province developed household industries to a marked degree. Metal workers, weavers, and potters bartered their wares locally and in adjacent provinces. Finally professional traders bringing imported goods penetrated the region, and cheap textiles and other necessities have in part replaced home-made products.

Mindanao

Readers of this special "Philippine Number" of our magazine who are interested especially in the southern regions of the Philippines are referred to Miss Mary A. Pugh's illustrated article on "Mindanao" which was published in the September 23, 1944, issue of FOREIGN COMMERCE WEEKLY, beginning on page 3.

Cottage Weaving Developed

In the far northwest, however, the industrious Ilocanos, inhabiting the provinces of Ilocos Norte, Ilocos Sur, Abra, and La Union, are the chief textile weavers in the Philippines. Working mainly on a spare-time basis before the war, they obtained threads and yarns partly from domestic sources and partly from China, Japan, and the United States. Some 4,000,000 to 5,000,000 pounds of yarns were imported annually. For yarns produced at home, domestic cotton and several native fibers—notably abacá, maguey, and pineapple—were used.

Cloths made from native fibers included "sinamay," "jusi" (woven from gummed silk and maguey, and pronounced "husie"), and "pina," all utilized mainly for clothing purposes. Native weavers, however, also produced blankets, towels, bathrobes, curtains, table sets, and other articles.

Japanese textile exporters, restricted by the cotton-textile agreement with American textile manufacturers and exporters as to the amount of cotton piece goods which they could sell in the Philippine market, were cutting into domestic trade in sinamay cloth before the war by sending a cheaper imitation product to the Islands.

Domestic textile production, including the output of mills in Manila as well as that of native weavers, combined with imports from Japan, fell far short of supplying Philippine pre-war demand for clothing materials, and the Islands became the first oversea market for American cotton piece goods. In 1939 imports from all sources amounted to 140,000,000 square yards, about 90 percent of which passed through the port of Manila.

Fertile Central Plain

Luzon's central plain, extending north from Manila Bay to the China Sea and surrounded by mountain ranges, is drained by the Pampanga and Agno Rivers. The former flows south into Manila Bay, while the Agno runs north into Lingayen Gulf, scene of early Japanese invasions in 1941.

The area of the plain is approximately 4,000 square miles, although a considerably greater area is drained by the two rivers and their tributaries. This, the "rice granary" of the Philippines, is the chief population center in Luzon. Here live mainly Tagalogs (Ta-gá-logs), regarded as the dominating Filipino people.

From Department of Interior

Ifugao rice terraces, Mountain Province, Luzon, Philippine Islands. Here one finds 12,121 miles of terraces—approximately half the distance around the world. The walls are from 4 to 18 feet high, it has been estimated that from 1,200 to 1,500 years were required to build the terraces in Mountain Province.

More aggressive and self-reliant than most other types of Filipino-Malayans, they are considerably more numerous than any except the Visayans who inhabit the islands south of Luzon.

Although rice is grown in every province in the Philippines, approximately 40 percent of the total crop comes from Luzon's central plain, and the island as a whole supplied around 65 percent of the annual rice yield before the war. The chief food of Filipinos for many generations, rice forms the staple diet of some 11,000,000 to 12,000,000 people, or approximately 75 percent of the total population. Locally grown corn is preferred by natives of the Visayan group and of northern Mindanao. Although wheat flour was a leading import before the war, consumption of bread products was confined to Manila and other urban centers.

Principal Philippine sugar areas are in the Visayan group, but in central Luzon, especially Pampanga and Tarlac provinces, were some important plantations and sugar centrals before the war. Of the total acreage in sugar in 1938, Luzon as a whole accounted for 39 percent.

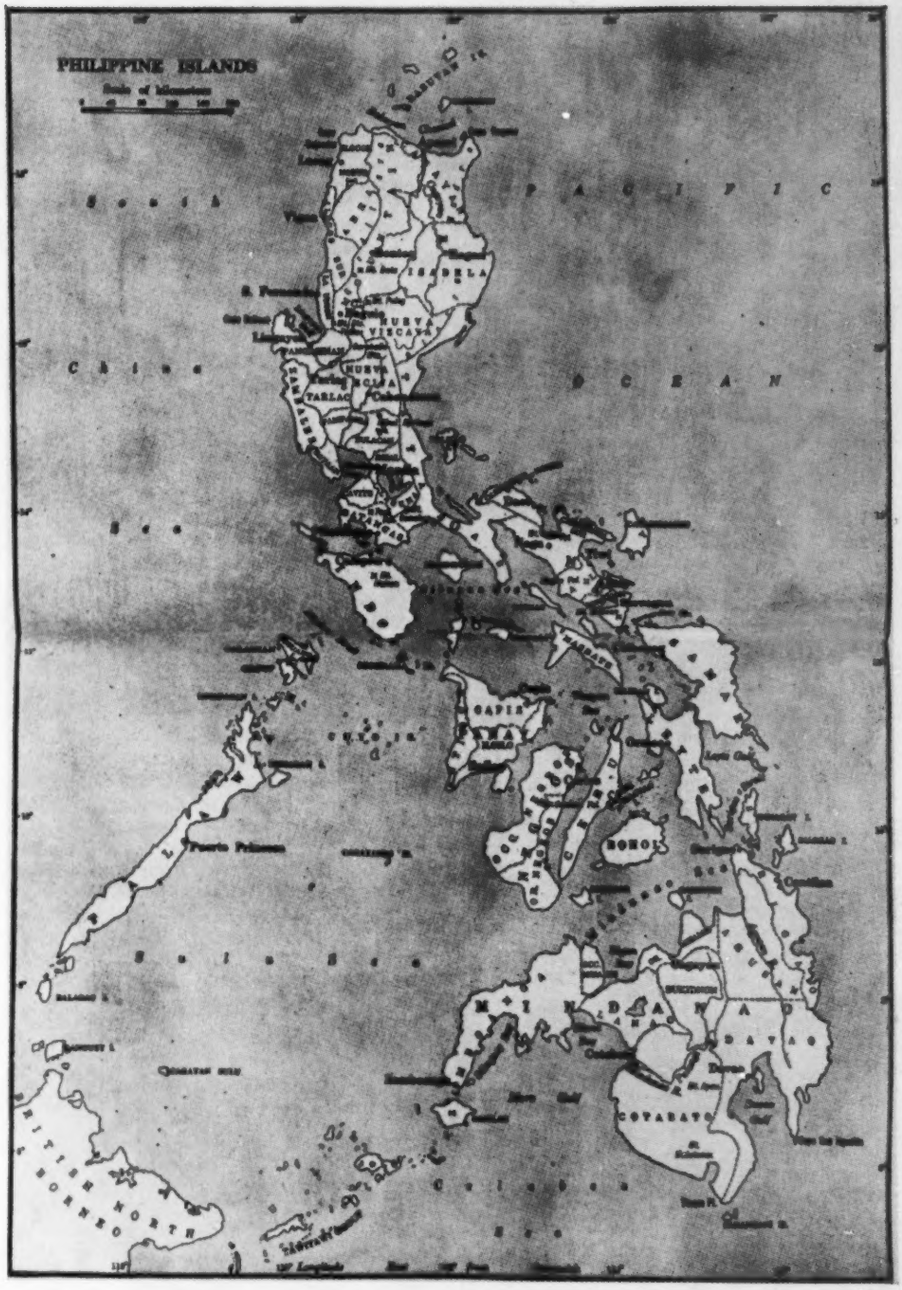
Although the cultivation of cane antedated Spanish occupation, sugar was never an important item in Filipino diet. Rather, it became the principal "money" crop, grown primarily for export, and for many years preceding the war the free American market was the outlet for almost the entire crop. Under Japanese occupation a considerable portion of former sugar acreage is believed to have been converted to experimental cultivation of cotton, while the mills, including at least one in Luzon, are used for the production of industrial alcohol from such cane as is grown.

Coconuts Thrive

Provinces south of Laguna de Bay—the large lake linked by the Pasig River to Manila Bay—mark the end of sugar districts in Luzon and the beginning of the principal coconut regions in the rich volcanic soils of the peninsula area of southern Luzon. Here are many of the small coconut holdings which are second only to rice farms in peasant Filipino agricultural enterprise.

Extraction of coconut oil for illuminating purposes is an old, old industry, while copra was produced in Luzon and shipped abroad many years before the Spaniards came. It was not, however, until after the First World War that the Philippines became the world's chief exporter of coconut products. Coconut farms in Luzon in 1938 aggregated 1,004,000 acres, or 38 percent of total coconut acreage in all the Islands. Ninety-five percent of the Luzon farms were in provinces south of Manila, and all but one of the country's principal coconut-oil mills were in or near the city itself.

Legaspi, chief port in southern Luzon, was the second port of shipment for copra from the Philippines, Cebu in the Visayan group of islands being the first, with Manila third. Well over half the coconut oil exported was shipped from Manila, the remainder coming from Cebu, where a branch of one of the larger oil mills was located.



One of the most important ingredients in American soaps, Philippine coconut oil produced for export was sold almost entirely in the United States in pre-war years.

Like rice, some coconuts are grown in every province in the Philippines, and it appears paradoxical that, except in the preparation of beverages from coconut waters, native consumption of the nuts as food was much less per capita in the Philippines than in most tropical areas before the war. This lack of interest in a food product ready at hand may be attributed in part to more extensive use of coconuts in the production of copra for sale to oil mills and exporters and in part to the fact that under free-trade relations with the United States larger quantities of foodstuffs per capita were imported than is usual in tropical islands.

The vicissitudes of war, however, may have recently developed greater use of the coconut for food, and it is understood that the Japanese have attempted to encourage its use for industrial purposes. Reports reaching this country indicate that shoes of fiberboard produced from coir, or coconut husk, are being made in the Philippines, and such products as insulating board, tooth powder, pomades, and caustic acid are being obtained from the nuts.

Staple Fiber Indigenous

In recent years the mention of abacá has suggested modern plantations de-

(Continued on p. 45)

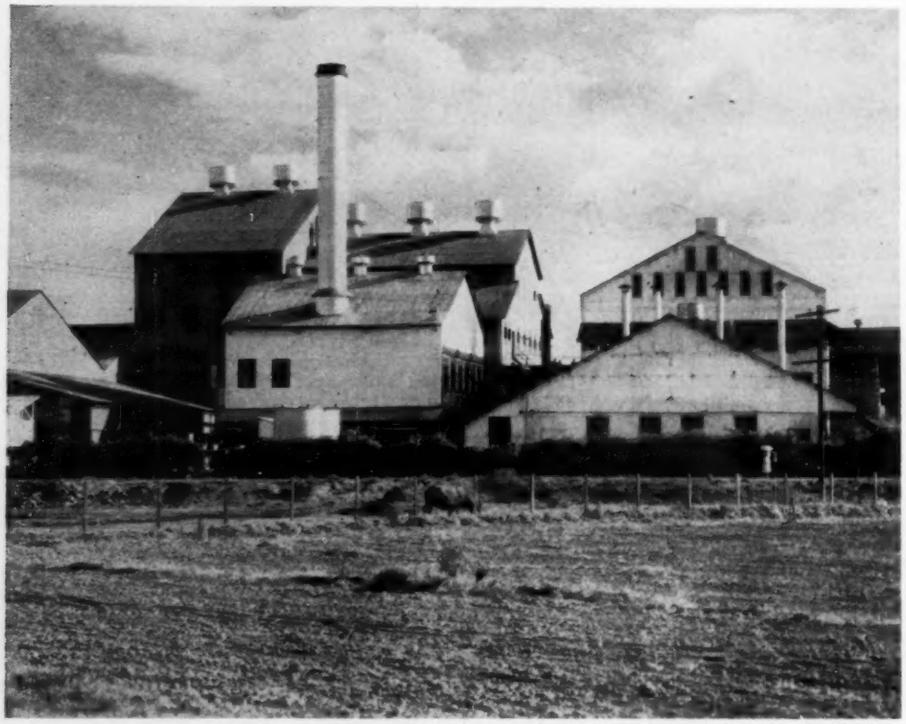
The Philippine Sugar Industry

By GEORGE F. DUDIK, *Foodstuffs Unit, Bureau of Foreign and Domestic Commerce*

AS THE ARMED MIGHT of the United States military machine blasts the Japanese conquerors from their entrenched positions in the Philippine Islands, the Nation again gains access to one of its major sources of sugar supply. The sugar trade between the Philippines and the United States was more than a century old even before the islands passed from Spanish control. In the ensuing 40-odd years, favored by both a tariff advantage and an assured market in the United States, sugar production increased in the Philippines, and eventually this commodity became the leading export of the islands.

Large Exports to U. S.

The Philippine Islands in the years preceding the war in the Pacific sent approximately 1,000,000 short tons of sugar to continental United States annually. These shipments amounted to about 90 percent of the total sugar production of the Philippines and supplied about 15 percent of United States sugar consumption. The loss of this supply was followed by decreased sugar production in the western United States beet fields and in our offshore cane-sugar areas—Puerto Rico and Hawaii—all at a time when we were being called on to furnish sugar to our Allies. The sugar shortages in the United States have been offset partially by increased amounts of sugar from Cuba, but even so, 1945 prospects are not as bright as might be desired. The forecast for the 1945 crop (even before the October hurricane raked the western end of the island) is for less than the 1944 output. With demands for sugar increasing in the United Nations and in liberated areas, not the least of the fruits of victory in the Pacific will be Philippine sugar.



Courtesy Commonwealth of the Philippines

Philippine sugar refinery.

How soon and how much sugar can be obtained from the islands of Luzon and Negros, where pre-war Philippine production was concentrated, or from other islands of the group—among them Leyte, Panay, Mindoro, and Cebu—where lesser amounts of sugar were produced, will be determined by three factors: (1) The actual date of the liberation of the various sugar islands among the many islands of the Philippine Archipelago; (2) the extent of sugar stocks abandoned by the Japanese as they are driven out; (3) the condition of the cane fields and grinding mills after several years of Japanese occupation, with some sections twice a battlefield.

Reestablishing the Industry

Cane may be crushed and raw sugar manufactured from November until the termination of the normal grinding season in June. How simple the task of manufacture will be, depends on how many cane mills have been dismantled for their metal and machinery, how many sugar centrals are destroyed as the Japanese forces withdraw, and how much cane land has been abandoned or diverted to other crops.

The condition of the cane fields and equipment at the time of liberation will depend on the part the Philippine sugar industry was permitted to play in the "coprosperity sphere" of the temporary rulers. With the sugar supply of Formosa, of the Netherlands Indies, and of various Pacific islands to draw on, it is unlikely that Japan had any extraordinary concern for sugar production in the Philippines.

The invader has, however, had need of industrial alcohol and its derivatives for the manufacture of war materials, and these products could easily be made from Philippine sugarcane. There are reports that the sugarcane was utilized to make power alcohol as a supplement to the scarce petroleum products used for motor fuel. If true, then the reestablishment of sugar manufacture may be easy.

Historical Background

Sugarcane production has had a long history in the Philippines. For centuries before Fernando Magellan first crossed the Pacific Ocean, sailing westward from South America, sugarcane was cultivated on the islands. After subsisting for months on a starvation diet during their

historic crossing, Magellan's crew were served with succulent sections of sugarcane by a native potentate on Mindanao. The voyagers subsequently returned to Spain with stories of confections they had tasted in the Philippines made from the juice of this same cane.

Fragmentary records tell of early trade in Philippine sugar. Cane was noted in a cargo from the islands as early as 1565. A shipment of about 150 tons of Philippine sugar to the United States was recorded in 1795. In 1796, somewhat more than 5,000 tons of sugar were exported from the islands, and by 1835 exports had increased to 15,000 tons. The crude sugar of these early shipments was packed in mat bags called "bayones," which were made from the leaves of the buri-palm tree and tied with rattan. The trade grew as outgoing vessels adopted the practice of carrying Philippine sugar as stowage cargo.

Early cane grinding was done by primitive mills turned by draft animals, the cane being crushed between granite rollers. This equipment and the earthern jars into which molasses was drained from the sugar crystals are believed to have been introduced by the Chinese, who were prominent in the sugar industry of the Philippines in the days before modern methods were adopted.

With the erection of the first steam-driven mills, about 1860, the sugar industry of the islands began its rapid development. The next outstanding advance was the use of modern centrifugal machinery which separates molasses from sugar in whirling metal drums. In the 10 years which followed the outbreak of the First World War, centrifugal sugar very largely supplanted the earlier "muscovado" type, which had been the typical sugar shipped from the Philippines.

Sugar-Production Methods

Muscovado, which is still produced in limited amounts, is made by pouring boiling cane juice, ready to crystallize, into bell-shaped jars holding 100 to 140 pounds. Bagasse (crushed cane fiber) covers the bottom of the jar. As the juice cools and sugar crystals form, the molasses drains through the bagasse and out of a small hole at the bottom of the jar. The sugar near the top of the jar has fairly good crystals and relatively little molasses. The quantity of molasses increases as the bottom of the jar is reached. The process is a slow one, requiring several months.

Another type of sugar made in the Philippines is "panocha," a crude product molded into cakes in half-shells of coconuts and sold for native consumption.

Before the war, refined sugar was produced in four establishments, although the quantity was relatively small, about 50,000 tons being exported each year.

Courtesy Commonwealth of the Philippines

On a Philippine sugar plantation.

Courtesy Commonwealth of the Philippines

Planting sugarcane, Luzon.

In 1940, there were 42 centrals in the Philippines producing sugar. Of that number, 19 were on the island of Negros, producing under quota in that year about 635,000 short tons of sugar. On Luzon, 14 centrals had a sugar quota of 370,000 tons.

Cultivation Procedure

Unlike the industrial organization of many cane-growing areas of the world, Philippine mill assets seldom included extensive investment in cane land. It was the practice in the islands to discourage ownership of large plantations by individuals or corporations. The minute subdivision of agricultural property explains the small size of most of the 24,000 Philippine farms growing sugarcane, many of them having only a few acres in cane each year. The cultivation of Philippine farms producing sugarcane was about equally divided in pre-war years among small landowners and tenant farmers.

The procedure for handling cane included contracts between the planter and the mill, for as long as 30 years, the terms of the contract establishing the acreage devoted to cane. Most of the cane was hauled to the central on mill-owned rail facilities. After grinding and manufacture, the sugar was shared on a prearranged basis, frequently with equal division between the planter and mill, or possibly 60–40, with the larger share going to the grower. The planter was usually free to dispose of his portion of the sugar in any manner he saw fit. Some growers sold through farm co-

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Drying abacá in Zamboanga, Mindanao Island.

Abacá (Manila Fiber) in the Philippines—

Product Greatly Needed, Serviceable in Many Vital Ways

By MARGARET E. WAMBSGANSS, *Industrial Projects Unit, Bureau of Foreign and Domestic Commerce*

WHEN MAGELLAN visited the Philippine Islands early in the sixteenth century he found that strange textile fabrics were being used by the inhabitants. The fiber thus employed was unknown elsewhere and was stronger than any so far encountered by western civilization. Now—hundreds of years later—abacá, or "manila hemp" as it is popularly called, is known throughout the world and is so important that an intensive search for substitutes was instituted immediately after the main source of supply had been temporarily cut off by the war in the Pacific.

Now that military operations in the Pacific, particularly on Leyte Island, indicate that the day of liberation is approaching, speculations are rife as to what the armies of the United Nations will find, as regards this vitally important crop. Some authorities have predicted that it will require anywhere from 1 to 5 years to restore the industry to normal production. Fortunately, shipments of abacá from the newly expanded plantations in Central America have made a modest, though valuable, contribution to rapidly dwindling stock piles. Other fibers, both natural and man-made, also have come into extensive use.

Abacá became commercially known as "manila hemp" from the fact that the city of Manila was headquarters for the industry. The term "hemp" is misleading, because abacá has no relation to true hemp. The technical name is *Musa textilis*.

Abacá Becomes Known

The Philippine Islands apparently were the original habitat of abacá, where it grew wild in large areas. For about 300 years after the Islands came under the rule of the Spaniards, they alone used abacá for cordage. Then, early in the nineteenth century, small samples were brought to Salem, Mass., where its superior qualities were demonstrated by a lieutenant in the United States Navy. Its superiority for marine use was quickly recognized, whereupon imports into the United States increased in volume, and soon manila rope was considered indispensable by the Navy, to say nothing of the New England fishing and merchant fleet. Not long thereafter the entire world became a market for abacá, which eventually developed into one of the principal export items of the Philippines. To this day abacá has never been supplanted as the leading fiber for marine cordage.

Cultivation Encouraged

During General Leonard Wood's first assignment in the Philippines (from 1903

to 1908), he encouraged his former soldiers to establish abacá plantations. However, after 1916 most of these plantations passed gradually into the hands of Japanese who had acquired surplus capital during and after World War I and felt that abacá would be a highly profitable investment. The new owners subdivided the land and brought Japanese tenants in to operate the small plots. Filipino laborers, however, did the actual work.

Japanese Penetrate Area

By 1941 approximately 23,000 Japanese had penetrated into the abacá-growing districts in Davao Province and had taken control of from 40,000 to 60,000 hectares in this area. Of these Japanese, it appears that 5 percent were owners or operators and 95 percent tenants and planters. Most planters came from the Okinawa Islands, northeast of Formosa. They speak a language of their own and are different from the true Japanese, by whom they are regarded as decidedly inferior.

The Japanese plantations gained prominence because they were in more accessible regions than those operated by the Filipinos. Economical methods of planting, cultivation, and cleaning were adopted from the United States operators, whereas most Filipino plantations were cultivated in the traditional, rather primitive, manner.

Developments in the Japanese holdings in Davao accounted for increased exports of abacá up to 1939. By that time, however, those fields had passed their maximum production period, and since holdings had not been extended appreciably, output was beginning to taper off. Then, too, good profits were being made in ramie cultivation, which was tending to replace abacá on some Japanese plantations, particularly those which were no longer yielding abundant harvests.

Exports Increased

Exports, however, did not decline, because the lowered production in Davao was counterbalanced by an expansion of Filipino plantations. This trend was particularly noticeable in the Kidapawan-Cotabato region, where new roads were pushed into formerly inaccessible areas of the interior. In those remote surroundings new homesteads were established, and new stands of abacá were cultivated to meet an increasing demand.

Philippine exports of abacá soared in the years preceding World War II, reaching a total of 173,260 tons in 1939 and 177,444 tons in 1940. The upward trend was continued in 1941, 89,817 tons having been exported in the first 6 months, as compared with 83,537 tons in the corresponding period of 1940. In the third quarter of 1941, 52,118 tons were shipped, making a 9 months' total of 141,935 tons. Later figures are not available.

Prior to the bombing of Manila, more than 95 percent of all imports of abacá into the United States came from the Philippine Islands. Total imports of 111,167 tons in 1941 were the highest on record. Of this amount, 109,211 tons were received from the Philippines, 1,946 tons from the Netherlands Indies, and 10 tons from Panama. In the preceding year 57,864 tons were received, 55,749 tons having come from the Philippines, 2,053 from the Netherlands Indies, 57 from Panama, and 5 from British Malaya.

A Fiber of Many Uses

Most of the abacá fiber received in the United States is manufactured into ropes and cables for ships, for which it is particularly well adapted, having the necessary high tensile strength, durability, lightness, and resistance to sea water. Abacá rope absorbs water slowly and dries quickly, thus preventing to a large extent the rot which ordinarily is so destructive to ropes used at sea.

The most important uses of manila rope are for hawsers, mooring lines, and heavy towing lines. Tarred rope of smaller sizes is used on ships; rope for rigging on sailing vessels; bolt rope for the edges of sails; tarred lanyard, extending from the deck to the mast (replaced to some extent by wire ropes); and boat-fall ropes for lowering and raising lifeboats.

The finest quality fibers are used in making well-drilling cables. These are treated with a lubricant to minimize the wear. Steel cables are being used in increasing quantities, but, even so, small lengths of manila rope are needed for splicing at stated intervals to supply the necessary resilience. Manila ropes are used for fishing traps and for purse lines in seine-fishing. In long power drives, where the cost of leather belting would be excessive, manila rope serves a useful purpose. In hoisting, many lives may depend upon the strength of the rope. Painters and builders prefer manila rope, and it is also used on farms, especially in the form of binder twine.

Not all of the abacá grown in the Philippines is shipped abroad in the raw state; large quantities are converted into manufactured articles by domestic factories and cottage industries. Numerous small ropewalks are found in the Islands. In these ropewalks most of the twisting is done by hand, although machinery is sometimes used on a small scale.

As early as 1934, 8,318 tons of cordage were exported, of which 4,878 came to the United States. Five cordage-manufacturing companies in the Islands at that time operated more than 600 spindles. In 1935 exports dropped to 7,954 tons, and in 1936, to 6,602 tons, because of quotas limiting duty-free shipments to the United States. In 1941, shipments were at a high level, and if the bombing of Manila had not interfered, the total cordage output of the Islands probably would have reached at least 14,000 tons.

The present conditions of the mechanized factories is a matter of conjecture, however; reports say that, of the two largest, one has been destroyed and the other is being operated by the Japanese.

Many other items are made from abacá in small factories or in homes as a cottage industry.

Abacá sinamay (a gauzy fabric) is used by Filipino women for waists, or, like buckram, to impart stiffness to the bottom of skirts. Occasionally the skirt itself is made of sinamay. Blocked sinamay hats are sometimes seen in Filipino stores. Abacá cloth can be softened by winding it around a piece of wood and beating it thoroughly with sticks. Such fabric is called "pinolpog" in the Visayan language, and "pinokpok" in Tagalog. Pinolpog in various colors can be neatly embroidered and made into pretty handbags, cushions, or other embroidered

Stand of full-grown abacá, at Albay in southeastern Luzon.

621092—44——2

Courtesy Commonwealth of the Philippines

Classifying and baling abacá, Manila.

articles. Excellent grades of bobbin and battenberg laces are made from abacá fiber.

Factories have been established in Manila, Rizal, and Malabon for producing abacá braid (Tagal braid) from the knotted fiber. Ladies' hats are made from the braid—in Europe, by sewing the strands together, and in the Philippines, by weaving the braid. These braids are very attractive and should find a ready market in other countries when they become better known. Japan formerly was the largest purchaser of Tagal braid.

Other items made entirely or in part from abacá are: Slippers, baskets, belts, braids, whisk brooms, bags, lamp shades, mats, portieres, trays, swagger sticks (wound with abacá strips), and woven furniture. Abacá strips are excellent for weaving into baskets, mats, and furniture, because of their extreme strength. An additional advantage is the fact that the tannic-acid content tends to repel vermin.

For many years schools have been training children in the art of weaving and working with abacá.

Abacá fiber which is not suitable for manufacture into rope or other textile products is not discarded but is used in the production of paper products. Even the waste fiber and waste rope are utilized, especially in the United States, as a source of paper pulp, because of its high alpha cellulose content.

These manufactured articles make a good-sized contribution to the export trade of the Commonwealth, as indicated by the figures below, which are the most recent available.

Plant Description

Abacá is a multicelled, long fiber, consisting of cylindrical strands of fibrovascular bundles. It is related to and closely resembles the banana plant. A warm, moist, tropical climate and deep, fertile, well-drained soil are necessary for proper growth.

Each plant consists of a group of stalks in various stages of development, reaching maturity at different times within a 2- to 3-year period. When mature, the stalks are from 6 to 12 feet high, formed by the broad overlapping leaf stems. At the top are large, spreading leaf blades from 3 to 6 feet long and about 1 foot wide. A flower stem about 2 inches in diameter is pushed up through the center of the stalk. Flowers are developed at the top, followed by small fruits similar to bananas. They are inedible and are filled with black seeds. The maximum amount of fiber, as well as the best quality, is obtained if the plants are cut just as they are starting to produce their fruit.

Cultivation and Harvest

Abacá fiber is obtained by pulling the sheathing leaf stalks from the plant. Then they are stripped by removing the juice and pulp from the layers peeled from the stalk. In the different varieties, the colors of the stalks range from a light green to a dark purple or nearly black. The leafy part on top, being of no commercial value, is cut off and allowed to rot and enrich the soil.

Originally abacá trees were grown in irregular formation, making cultivation and cleaning difficult and expensive. The later method is to plant them in rows, so that the weeds can be easily uprooted by running a plow between the rows.

On the Japanese-owned plantations of Davao, new systems of planting were introduced and attention was given to selection of superior varieties. Usually small machines were used for stripping; but sometimes large, automatic fiber-cleaning machines, similar to those used for cleaning abacá fiber on Central American plantations, were employed.

Thousands of small abacá fields in the foothills of southern Luzon, the Visayan islands, and northern Mindanao were operated by Filipinos. Small areas of forest land were cleared and the abacá rhizomes or suckers planted in holes dug with a machete. (Abacá plants grown from seeds do not ordinarily come true to type.) No cultivation was done except an occasional clearing of shrubs and grass. When the plants reached maturity, the fiber was cleaned with a crude handstripping apparatus, dried in the sun, and sold, usually to a middleman. The quicker the drying, the whiter is the fiber. Boiling abacá fiber for 10 to 20 minutes is said to give it a better sheen.

Tying abacá fiber for export is an important industry in some localities. In the Bicol Provinces the fiber is softened before being tied.

The widespread cultivation in the islands is indicated by the table on the next page, which lists the various provinces in the order of their output in 1938. These figures do not give an idea of the maximum production that could be attained, since, because of low prices, many fields were not harvested; others were even abandoned by their owners. With a rise in demand, a few years later, the output was immediately stepped up.

Methods of Grading

Fiber obtained from the Filipino plantations is usually graded either "very fine" or "poor quality." If care is exercised in hand stripping, and if the plant is cut at just the right time, high-quality fiber will result. In the Japanese-operated Davao plantations, where most work is mechanized, the medium grades are generally obtained.

Much of the Filipino fiber is of the lower grades, because of lack of care and foresight. Under proper guidance much progress could be made toward increas-

Exports of Manufactured Abacá Articles, Philippine Islands

Item	1939		1940	
	Quantity	Value	Quantity	Value
		Pesos		*Pesos*
Shoes, slippers, sandals ..... pairs	8,893	3,348	19,168	6,562
Cordage, rope ..... metric tons	9,587	3,173,836	10,387	3,471,402
Yarns, twines, and threads ..... metric tons	7	3,069	81	27,515
Braids ..... metric tons	2	7,000	3	10,000
Sinamay, coarsely woven ..... yards	7,219	1,606	28,844	5,131
Sinamay, closely woven ..... yards			6,806	2,147
Knotted abacá ..... metric tons	70	137,363	14	25,943

[1] One Philippine peso—50 cents.

Abacá Production in Philippine Islands, 1938

Province	Island or island group	Area planted	Production	Value
		Hectares	*Kilograms*	*Pesos*
Davao	Mindanao	81,820	68,150,820	6,352,461
Albay	Luzon	49,730	14,367,556	959,163
Sorsogon	do	44,930	12,675,439	913,466
Leyte	Leyte	21,134	11,648,212	634,097
Samar	Samar	14,082	7,329,092	342,784
Sulu	Sulu	5,273	5,783,071	396,110
Surigao	Mindanao	9,391	4,996,608	244,502
Camarines Sur	Luzon	26,500	4,802,309	575,876
Agusan	Mindanao	6,856	3,129,723	154,311
Misamis Oriental	do	4,187	1,862,300	108,124
Cotabato	do	4,485	1,691,515	137,986
Bukidnon	do	4,745	1,479,310	89,655
Negros Oriental	Negros	1,895	1,211,067	72,105
Zamboanga	Mindanao	2,467	1,083,053	36,382
Camarines Norte	Luzon	4,833	955,952	56,543
Capiz	Panay	2,037	652,134	50,523
Mindoro	Mindoro	1,499	465,563	73,091
Lanao	Mindanao	938	386,382	48,155
Cebu	Cebu	746	362,850	32,976
Masbate	Masbate	621	210,212	17,697
Bohol	Bohol	562	209,037	15,348
Marinduque	Luzon	1,120	172,806	13,571
Misamis Occidental	Mindanao	376	167,150	6,609
Iloilo	Panay	364	121,016	18,626
All others		939	217,334	25,854
Total		291,530	144,130,511	11,376,015

ing the percentage of excellent-quality fiber. Fiber often is packed before it is entirely dry, either because of the desire to make a quick sale or merely through lack of experience. If fiber is packed or baled when wet, fermentation and mold may develop. Lack of proper storage facilities presents a further hazard. Then, too, in many regions transportation always has been a problem. In bringing the fiber from remote places, many types of transportation are used—from men's backs and pack animals to trucks, railroads, and steamers. All expose the fiber to the dangers of drenching by rain or sea water during loading, transit, or discharging.

The value of a proper grading system became evident after receipt of numerous complaints from abroad, about extremely irregular qualities of fiber grouped in each shipment. Through enforcement of a strict grading law, practically all complaints were eliminated, although more fiber was of necessity classified as being of low grade. However, it was believed that this would encourage growers to take more precautions and to endeavor to put out a better product.

Fiber which is termed "excellent" is thoroughly cleaned, is usually from 6 to 12 feet in length, light in color, lustrous, strong, and of even texture.

Survival and Expansion

Attempts have been made to grow abacá in other countries, but most of these experiments have proved unsuccessful. Plantations have been established in India, the Andaman Islands, Java, Sumatra, New Guinea, British Borneo, the Malay States, Solomon Islands, and elsewhere. Unfortunately, in most cases, seeds were planted, rather than suckers, which may account for the generally meager results obtained.

In Sumatra and British Borneo, abacá is produced successfully, under scientific conditions, although these regions have not as yet offered any serious competition to the Philippine output. Production in Java and other areas of the Netherlands Indies was also on the increase when interrupted by present hostilities.

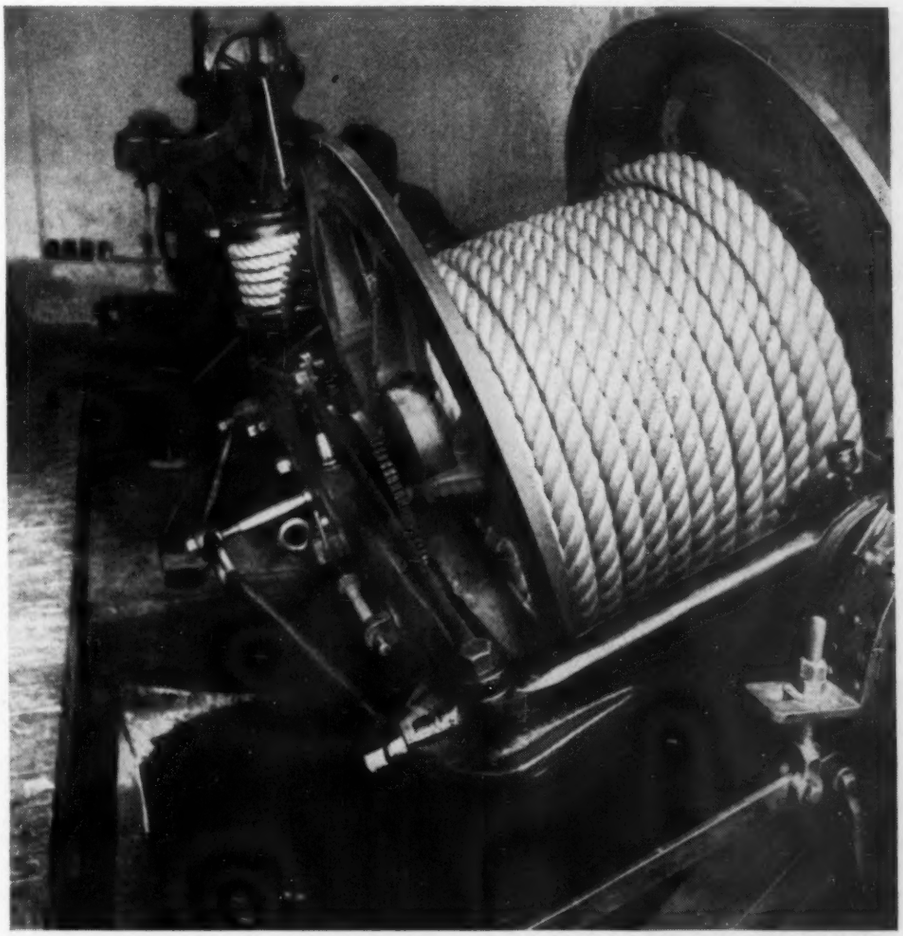
Progress in Central American countries, however, has been excellent, as reported in FOREIGN COMMERCE WEEKLY and other publications from time to time.

After the liberators penetrate the abacá fields in the Philippines, machinery for cultivating, harvesting, and processing soon will follow. Of that we may be sure, because it is an undisputable fact that all nations need abacá and no time is going to be wasted in getting it. What conditions in the abacá-growing industry will the liberators find?

According to Japanese broadcasts, some abacá fields have been replaced with ramie, jute, soft hemp, cotton, and other soft fibers, because the Japanese are known to have abundant hard fibers but meager supplies of soft fibers. The change-over may not be so extensive as they would have us believe, however. If, as the Japanese had expected, these regions were to remain under their control, abacá, because of its great demand, and because of the limited sources of supply outside the Philippines, would constitute a valuable means of income to them, and offer important possibilities of trade with the western world. Consequently, it is quite likely that many planations, particularly the better-yielding ones, were preserved for future exploitation.

Unless preceded by a long period of drought, abacá plants can scarcely be destroyed by fire, either through a "scorched earth" policy or as a result of bombings or military operations. Also, to cut down thousands of those strong,

(Continued on p. 38)



Courtesy Commonwealth of the Philippines

In a Philippine rope factory: Showing one tremendously useful end-product of abacá.

Philippine Liberation, Key to Soapers' Supply Problem

TODAY United States manufacturers are keenly interested in reestablishing trade in the now-scarce Philippine-products which formerly were imported in sizable amounts. And *soapers* view this possibility with a special concern, for perhaps no other industry has been so adversely affected by the loss of Philippine supplies. Prior to the present conflict, coconut oil formed the base for nearly all United States soaps. So readily saponifiable that even cold-process soap may be obtained from them, coconut oil and other high-lauric-acid oils are the only raw materials which yield a "marine soap," forming a lather with salt water. In the high-lauric-acid group—along with palm-kernel and babassu oil—coconut oil contains large amounts of glycerin, vital to munitions manufacture, and it will form a "soft soap" when combined with caustic soda. These are factors of prime importance to soap specialists. The average consumer, on the other hand, demands an inexpensive, quick-lathering, long-lasting product. All these qualities are combined in coconut oil, and soapers, faced with drastically curtailed wartime supplies of this commodity, have found it difficult to maintain established quality standards.

By CHARLES E. LUND, *Chief, Fats and Oils Unit, Bureau of Foreign and Domestic Commerce*

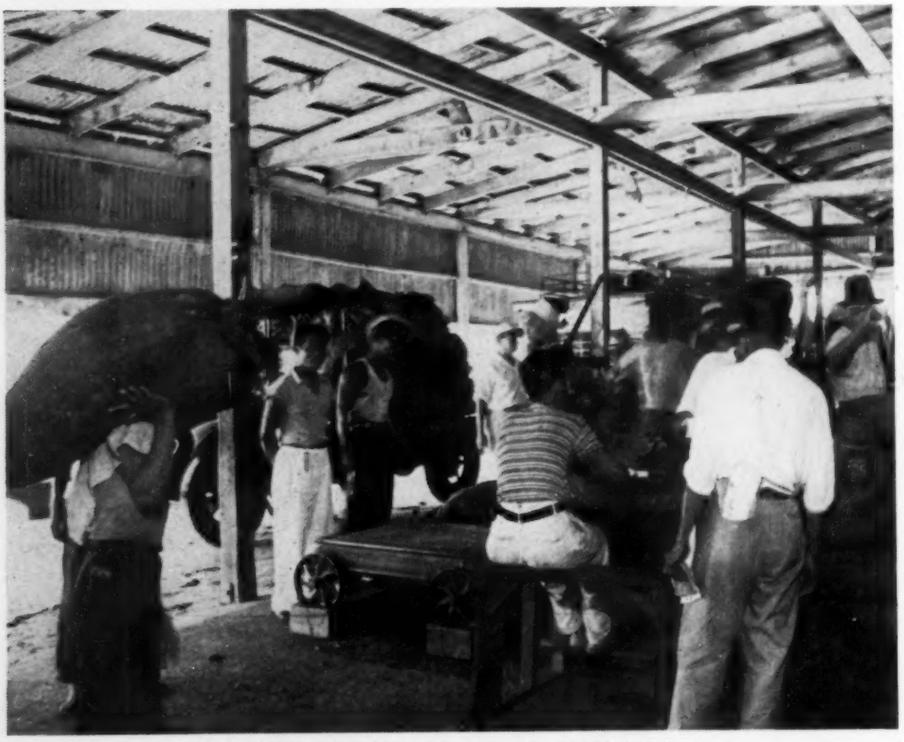
U. S. Demand Heavy

Coconut oil, excellent for edible purposes, has been widely used abroad in processing margarine and shortening. Although considerable quantities formerly were used in the food industries of this country, by far the bulk of total disappearance was utilized by the soapers. To insure maximum glycerin production, the use of coconut oil has, since September 16, 1942, been confined mainly to manufacturing processes wherein glycerin was recovered. This action virtually eliminated consumption of coconut oil in margarine, shortening, and other edibles.

Coconut-oil meal, a byproduct of copra milling, contains about 20 percent protein and is prized by West Coast (United States) dairymen as a cattle feed. Supplies are currently very short in this country, and resumption of large-scale copra crushing will provide a welcome addition to our oil cake and meal stocks. Domestic output in the United States will no doubt be supplemented by cake and meal imported from the Philippines, once a free flow of trade is reestablished.

Attempts to replace Philippine commodities—which in the 5 years immediately preceding the entry of the United States into the war comprised 99.98 percent of all coconut-oil receipts and 91.64 percent of all copra received—have been unsuccessful. In the Western Hemisphere coconut production is confined mainly to the Caribbean islands and bordering countries, and supplies are not available in quantity. Demand far exceeds output, with commercial development of the coconut industry limited to British Empire possessions. Since exports are no longer available from the Netherlands Indies, which, together with the Philippines, formerly provided the bulk of world shipments, Ceylon and the islands of Oceania are now the major sources of supply. United States imports from these areas have been in no way comparable to pre-war Philippine receipts.

Nor have the most skilled technicians discovered an available substitute possessing the superlative qualities of coconut oil in the soap kettle. Although the volume of soap manufacture has been maintained by the use of other fats, no real replacement of coconut oil has been effected.



Unloading and weighing of copra, in the Philippines.

History of Industry

Long before Western civilization discovered its multiple uses, natives of the tropical belt throughout the world considered the coconut palm their most versatile and prized possession. Food, drink, shelter, fuel, the weapons of war, household utensils, and clothing were all forthcoming from this natural "general store."

Early in the twentieth century coconut products began to assume commercial significance in Philippine export trade.

Under Spanish rule, trade in coconut commodities had remained largely local, and no active exploitation had been attempted. In 1899, the first year after the Philippines were ceded to the United States, Philippine copra exports totaled less than 34,000,000 pounds. One year later, shipments abroad amounted to 143,000,000 pounds, but credit for such rapid expansion cannot be entirely attributed to United States endeavor, for during the earlier year insurrection conditions disrupted all agricultural and business activities. However, with United States control, foreign trade in coconut products steadily increased, and in 1912 copra exports amounting to 315,000,000

pounds, worth $16,514,749, represented very nearly one-third the value of all exports.

Production Methods

To the present day, Philippine production methods reflect a curious blending of primitive native enterprise with modern industry. In 1938 small farms of less than 25 acres contributed by far the bulk of all copra output, with not more than one-sixth of the total coconut harvest coming from holdings of 50 or more acres. The "factories in the field" which characterize the Mid-West section of the United States are virtually nonexistent in the Philippines. Only in the more recently developed sections of Negros and Mindanao do large cultivations predominate. In 1938 plantations exceeding 1,000 acres comprised less than 1 percent of all coconut-palm acreage.

Sharecroppers produce the major portion of Philippine coconut output. The tenant clears and plants the land, converts the fresh nuts into copra, and generally receives one-third of the profits. The landowner customarily provides a house for the farmer, kilns for drying copra, tools and seed as needed, pays the taxes, markets the harvest, and claims two-thirds of the crop.

A less important output is carried on by native proprietors, who are dependent upon loans to finance their crops and, therefore, operate at a disadvantage. With the creditor in a position to purchase all copra produced, these farmers usually are forced to sell at prices below "paying" levels.

Too often fertilization, cutting back of underbrush, and proper harvesting methods are completely ignored. Because of these conditions, and the dense planting, coconut yield per palm averages only about 30 nuts annually although figures of as high as 200 nuts have been reported on the more scientifically managed plantations.

Coconuts ripen the year around, and harvest is carried on as the nuts mature. Palms begin bearing at 4 years of age, but yield is insignificant until the seventh year, and ordinarily 10 to 12 years elapse before a "normal" yield is obtained. Usually coconuts require a whole year to ripen fully; by that time the "milk," which turns to a fleshy pith, has partially disappeared.

Nuts Converted Into Copra

All harvested nuts not consumed for food or for desiccating purposes are converted into copra, as soon as maturity is reached. The coconuts are husked, split in half, and subjected to heat sufficient to separate the meat from the shell. After removal from the shell, the second, and more important, drying process is begun. Any of three methods may be employed—sun-drying, prevalent in areas where sunshine is plentiful; machine-drying, still not very popular; and smoke-drying, which is practiced most widely in the Philippines. Approximately 48 hours are required to complete curing by smoke in the kilns—bamboo grates built over ovens—in contrast to the 4 or 5 days necessary with sun-drying. Most Philippine copra yields an oil of high acid content and dark color, detracting from its value for edible purposes. It is fortunate that the chief uses for coconut oil in the United States—the number-one customer of the Philippines—are in the manufacture of inedibles, where acid content and color are of less importance than in food products.

Courtesy Commonwealth of the Philippines

Yes, the Philippine Islands have plenty of coconuts.

Copra usually is marketed at trading stations, which operate on both a cash and exchange basis. When the traders accumulate sufficient supplies, the copra is transported to Cebu or Manila, where it is available for export or domestic pressing. Shipments continue the year round, reaching a peak in October, declining through the winter months, and rising again in early summer.

Through the early stages of the development of the Philippine industry very little copra was destined for local crushing. In 1905 the first mill to operate in the Islands was built at Manila but was destroyed by fire 3 years later and was not rebuilt until 1913. Details of management and methods of production learned through the experiences of this single establishment proved invaluable when crushing began in earnest.

Expansion of Industry

The decade 1913–22 probably marked the most significant phase of the coconut industry, a tremendous impetus having been afforded by World War I. During this period, oil production increased tenfold, and the United States, replacing blockaded Europe, became the leading market.

Cargo space, vital in wartime, was greatly conserved by shipping coconut oil rather than copra. There is no doubt that this factor greatly stimulated oil pressing. At the same time, the Philippines did possess some advantages over the coconut-oil producers of Europe and America—raw materials were near at hand, and a cheap labor force was readily obtainable. Only 1 mill was operating in 1913, but by the time the United States entered the war, 14 plants had been erected, and in 1920-41 plants were pro-

(Continued on p. 37)

U. S. Factory Consumption of Coconut Oil, by Classes of Products

[In thousands of pounds]

Year	Total	Soap	Oleomargarine	Shortening	Other edible products	Miscellaneous	Loss
1935	582,097	229,711	174,314	44,034	87,060	3,906	43,072
1936	602,273	307,376	150,465	38,427	60,020	4,711	41,274
1937	425,894	252,241	73,806	12,531	49,886	7,972	29,458
1938	555,017	342,982	89,521	26,190	61,493	3,996	30,826
1939	529,154	388,912	38,516	20,659	43,931	4,562	32,574
1940	528,203	396,857	21,783	17,576	54,689	5,794	31,504
1941	637,970	484,124	29,786	22,069	54,156	9,559	38,276
1942	182,848	140,487	3,491	4,961	14,672	7,753	11,484
1943	200,395	142,346	----------	3	529	47,968	9,549

SOURCE: Data for 1935–41 from Bureau of the Census, U. S. Department of Commerce; for 1942–43, derived by Fats and Oils Unit, Bureau of Foreign and Domestic Commerce, from quarterly reports of the Bureau of the Census.

Philippine Embroideries

Big Business Built on Spare Moments

By MARY E. POOLE, *Industrial Projects Unit, Bureau of Foreign and Domestic Commerce*

EMBROIDERY is one of the oldest and most important of Philippine Island industries. The value of its external trade ranked eighth in the line-up of principal export commodities of the Islands in 1940. In trade with the United States, however, it has occupied a much more important position—in 1939 the value of Philippine embroidery exports to this country surpassed that of abacá by more than $1,000,000.

U. S., the Chief Market

The art of embroidering was introduced into the Islands by Spanish, French and Belgian nuns in the fifteenth century,, but it was not until 1911 that the industry was organized on a strictly commercial basis by an American woman, resident of Manila, who worked out designs suited to the United States market and established contacts with Chicago, New York, and Boston department stores.

Since that time, the industry has flourished under the beneficent influence of reciprocal free trade with the United States. Almost all of the cloth requirements are filled by consignments from the United States, and no less than 99 percent of the embroidery output has consistently flowed back into this market.

The complete integration of United States interests with those of the Filipinos in the embroidery industry can be more fully appreciated after a study has been made of the trade figures. The accompanying table shows, for instance, that during the 5 years, 1937 to 1941, United States direct investments in cloth to be embroidered averaged more than $1,000,000 a year. If it is considered that much of the value added in the Philippines has been sponsored by United States citizens operating the central factories in Manila, it is apparent that the United States played a major role in the economics of the industry.

The quantity and value of cotton cloth imported into the Philippine Islands from the United States, to be embroidered and otherwise manufactured and returned to the United States, are shown in the table at the right; also, the value of embroidered cotton wearing apparel, fabrics, and articles, exported (duty-free) from the Islands to the United States is shown.

How the Industry Operates

The Philippine embroidery industry is a strange combination of factory and home techniques. In Manila there are approximately 30 factories or shops having an invested capital of about $4,000,000—of which $3,000,000 is held by United States citizens. These establishments import cloth, cut and stamp the pieces to be embroidered, inspect, assemble, and launder the finished garments, and pack them for export. In normal times, contractors and subcontractors handle the constant distribution of pieces among some 30,000 to 50,000 Filipino women who do the actual work in their "spare" moments.

United States-Philippine Islands Trade in Embroideries

Year	Cotton cloth imported from U. S.		Value of embroidered items exported to the U. S.[1]
	Quantity	Value [1]	
	Square yards		
1937	10, 541, 721	$1, 133, 042	$4, 492, 776
1938	14, 044, 252	1, 271, 663	6, 018, 556
1939	10, 725. 022	971, 858	6, 171, 131
1940	8, 861, 494	835, 619	5, 461, 371
1941	11, 874, 239	1, 288, 880	4, 382, 192
Total	56, 046, 728	5. 501, 062	26, 526, 026
Average	11, 209, 346	1, 100, 212	5. 305, 205

[1] Values shown in U. S. dollars.

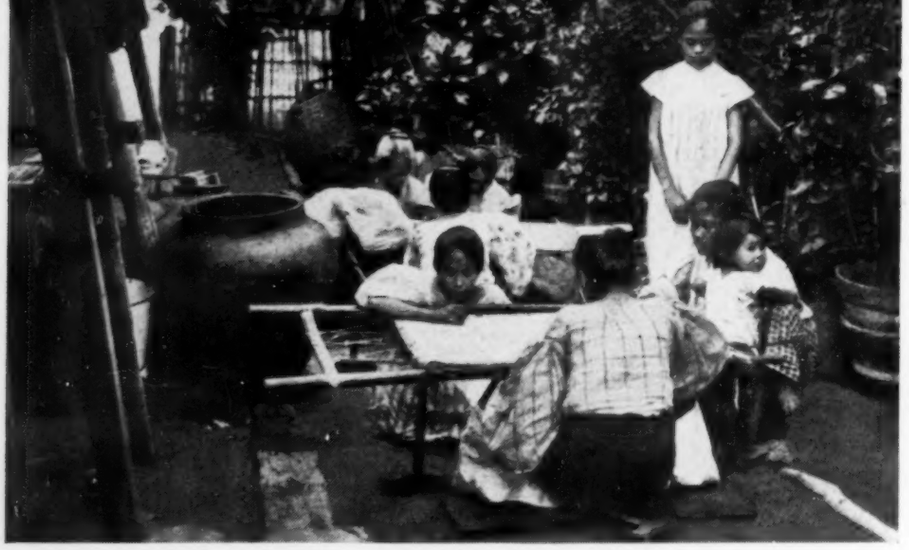
Even in the home phase of production there exist certain elements of the modern factory. Various types of needlework are usually performed by different workers, and contractors are kept busy shuttling the work about from one who embroiders scallops to another who concentrates on hemstitching and to still another who does the drawn work. This minute division of labor, however, slows down production considerably. Oftentimes a whole year elapses between the time the garment is cut in Manila and its subsequent appearance as a finished product on the counter of a United States retail establishment.

At first, this was a serious handicap. Blouses and other high-style women's apparel designed and cut in one year met with "thumbs down" the following year from a buying public prone to subjugate exquisite workmanship to "last-minute" fashion details.

Pioneers in the industry remedied the situation by channeling their efforts into the production of such articles as infants' wear, lingerie, handkerchiefs, and other items not subject to frequent and sweeping style changes and thereby paved the way to prominence for Philippine Island embroideries.

A "Boost" for the Industry

World War I gave the industry its first big boost. Cut off from European embroidery sources, the United States



Native women embroidering in the Philippines.

turned full face toward the Philippines, and embroidery shops sprang up almost over night in Manila. Although many of these disappeared just as quickly at the end of the war, the interlude gave the industry a chance to prove that it could supply quantities of artistically designed and beautifully executed embroideries rivaling the best from Europe but at much lower prices.

That the industry is extremely sensitive to existing conditions in the United States can best be illustrated by the value of its exports during the decade 1926–35, during which time many changes took place in the United States internal economy. Export figures for these years are shown in the following table:

Total Exports of Philippine Embroideries[1] *for the Years 1926–35 Inclusive*

Year	Value[2]	Year	Value[2]
1926	$5,992,389	1931	$2,657,130
1927	4,003,476	1932	3,349,825
1928	4,526,969	1933	1,899,315
1929	6,011,533	1934	2,666,421
1930	3,586,737	1935	5,076,245

[1] More than 99 percent of which were shipped to the United States.
[2] Values are converted from Philippine Island statistics at the rate of 2 pesos to 1 U. S. dollar.

Teaching the Art

Embroidery is the chief "nonhousehold" occupation of the feminine contingent from early childhood to maturity. The art was taught in private schools long before the system of public schools was brought to the Islands. Every girl enrolled in the primary grades is given elementary instructions in sewing and embroidery at least twice a week. Fourth-grade students generally embroider four times a week, except in special cases where cooking is prescribed, in which event three class periods are devoted to embroidery and the fourth to cooking. Advanced courses are available for girls in the intermediate grades and for first-year secondary-school students.

The Philippine Island Bureau of Education takes an active part in the training of skilled needlewomen. The central office furnishes the schools throughout the Islands with perforated patterns and procures materials for their use at wholesale prices through the General Sales Department. All articles made in the schools must conform to designs approved by the Bureau and must be done in the manner directed. The General Sales office, in turn, maintains a salesroom where school-made articles are sold at retail and a wholesale department where buyers for commercial firms can place orders for the embroideries produced by the students.

The College of Household Industries, in Manila, includes embroidery as one of its main curricula. Graduates usually return to their native provinces, where they establish embroidery centers, train new workers, and, in general, lend a helping hand in directing the work of their respective communities.

Designs are often distinguished for their artistic excellence.

Description of Embroidery

Nainsook, batiste, voile, and linen are the common bases for Philippine embroideries, although occasionally piña (a native fabric woven from the leaf fibers of the pineapple tree) is used for tablecloths and doilies. Silk rarely is used.

All embroidery is done with cotton floss or thread, of which probably 75 percent is white. Little color is used except in infants' wear, where the proportion of color to white is about 50 percent. A few years ago, some women's dresses with colored featherstitching and other colored applications were popular. Thread, prior to the Japanese invasion, was imported from both the United States and France, since United States Customs rulings permitted free entry of Philippine embroideries containing foreign materials provided the value of such materials did not exceed 20 percent of the value of the finished product on entry into the United States. The majority of the workers apparently preferred the French article, but individual opinions as to the merits of each varied enormously.

Philippine Island embroideries are dainty and lacy in appearance. "Calado" (a Spanish term applied to a style of drawn work peculiar to Philippine embroideries), which is used on almost every piece of work in some form or another, is accomplished by drawing out every fourth thread, warp and woof, within the design, and then overcasting the remaining threads in a diagonal direction. Oftentimes it is so deftly combined with solid embroidery that it appears to form the background on which the embroidery is worked.

Filet drawn work is another type that is used extensively. Although similar to calado in many ways, the overcasting is done first in the direction of the warp threads and then in the direction of the woof threads. The design is applied to the resulting mesh by filling up certain of the open squares with simple darning.

Success of the Industry

The special aptitude which Filipino women have shown for embroidery work of every kind has added a degree of elegance to many wardrobes. Until about 25 or 30 years ago, only the very wealthy could afford to buy lingerie ornamented with laces and embroideries. It has been the aim of the Philippine Island industry to supply these otherwise unaffordable luxuries to moderate-income groups, and by so doing, it has achieved its greatest measure of success.

Prior to the war the industry was fully aware of the problems to be faced in the future. Although the Independence Act placed no restricting quotas upon the quantities of embroideries which could enter the United States, duty-free, it provided for a progressive export tax to be levied during the last 5 years of the Commonwealth and for payment of the full United States duty, quoted at 75 percent ad valorem, after its independence.

The war in the Pacific unquestionably has added to these problems, and the manner in which they will all be solved is, of course, uncertain. However, the popularity of Philippine embroideries has been well established, and no doubt "Mrs. Average America" will, in the future, demand embroidered apparel, fashioned by hand in the Philippine Islands.

The new national fish hatchery at Pongo, Bolivia, was completed and officially opened for use last spring. It is hoped that, by stocking lakes and rivers with fish from the new hatchery, Bolivia will soon be self-supporting in this important food item.

Late AIRGRAMS

Reports Submitted by Offices (in Latin America) of the U. S. Foreign Service

Cuba

(From the U. S. Embassy, Habana)

With the approach of the 1945 sugar-grinding season (unofficially set for January 15) the developments in the negotiations for United States purchase of the 1945 and 1946 Cuban sugar crops constitute the main point of interest in the economic situation. A senate hearing on the Cuban sugar mission's conduct of the negotiations to date opened on December 12 and has intensified an internal dispute among mill owners, sugarcane growers, and laborers over the distribution of the crop-sale proceeds.

The Government by decree on November 20, 1944, canceled the cane production quotas of 15 idle sugar mills which have failed to prepare to grind during 1945. Although the cane covered by these canceled quotas can be ground in 1945, when, because of a "free" crop, quota restrictions will not be effective, the owners of the mills are disturbed over the prospective loss of quotas for mill-owned (administration) cane in future years when crop restrictions may again apply; they propose to test the decree's constitutionality.

The maintenance of adequate food supplies has recently become more difficult. Wheat flour has been going into consumption direct from shipside, with occasional bakery shut-downs when none is available. Eggs, beans, salt pork, lard, charcoal for cooking, butter, and milk are scarce.

The direct administration of price control and supply activities has been assumed by the Ministry of Commerce, and vigorous and largely effective ceiling-price enforcement continues. The lengthy jail sentences for violators, applied a few weeks ago, have, however, been discontinued and the Government has been petitioned to pardon merchants now serving 180-day terms for minor violations.

While strict price-control enforcement in a few instances where ceilings are not adjusted to costs has tended to drive goods off the market, the principal factor regarding most of the existing food shortages is Cuba's increasing purchasing power, a situation which will be aggravated when the sugar-grinding season begins.

Labor agitation continues. A general sit-down strike affecting more than 25,000 laborers in the Cuban textile industry was started November 22 in protest against the employers' failure to grant the wage increases ordered by the Government. This strike, which threatened to spread to other industries, was ended when employers met the strikers' demands. Laborers in mills producing flat textiles, who (with the exception of one mill) had been on strike since October 5, 1944, also returned to work after the Government by decree increased their wages by 10, 15, and 20 percent.

The Fourth Labor Conference of the Cuban Confederation of Labor (CTC) was held in Habana from December 1 to 4 and attended by more than 1,000 delegates. The outstanding development of the Congress was an agreement between Communists and Auténticos for equal participation in the governing Executive Committee of the Confederation. Speeches by the President and the Communist Secretary General of the CTC stressed the unity of Cuban labor and the harmonious relations between the Confederation and the Government. While resolutions were adopted to support the Government and to refrain from strikes, others called for rigid price control and higher wages and endorsed the sugar workers demand for a 40-percent wage increase.

A law enacted on November 13 requires practicing professionals in Cuba to become members of local professional associations; to possess a degree issued by the University of Habana; and to fulfill the requirements of article 82 of the Constitution which limits the practice of professions to Cuban citizens. While article 82 protects the rights of foreign professionals already established in Cuba, the law will in effect prevent any additional foreign professionals from practicing in Cuba.

Continued operations in the local copper mine have been insured as a result of a new contract with the United States Government for the sale of 15,000 tons of copper concentrates, to be delivered during the first 6 months of 1945.

The Cuban House of Representatives on November 20 approved the 1945 budget totaling 149,108,000 pesos proposed by the President, and the budget bill is now under discussion in the Senate.

A decree promulgated on November 16, 1944, authorized the purchase from the United States Treasury of an additional $25,000,000 in gold bullion to replace (as coverage for Cuban silver certificates) an equivalent amount of United States currency. This purchase will increase Cuba's gold holdings to roughly $125,000,000.

Venezuela

(From the U. S. Embassy, Caracas)

With most imported products in considerably improved supply and money plentiful, Venezuelan dealers reported good pre-Christmas business, well above that in 1943. Prices were generally higher without any apparent deterrent effect on the volume of sales. As in the past, shortages were restricted to items of limited availability in the United States, notably rayon and woolen piece goods, rayon yarn, canned goods, hardware, and containers. Textile purchases from other markets were restricted by excessively high prices and the hope of increased United States quotas. The powdered-milk situation has been temporarily improved with arrival of the fourth-quarter allocation.

Preliminary figures revealed that November imports exceeded 60,000 metric tons compared with a monthly average of about 50,000 tons during the previous 6 months, about half that amount in 1943, and about 60,000 tons during the peak year 1939. As in the past, supplies for the expanding petroleum industry accounted for a substantial proportion of total imports—chiefly from the United States. During the first week in December about 6,000 cases of Scotch whisky as well as wool and cotton fabrics, rayon yarn, earthenware, creolin, and other items arrived from England on a British vessel, the first in many months.

The continued and unprecedented high import tonnage into La Guaira has further aggravated an almost constant state of port congestion despite a reported improvement in transport facilities to Caracas. Incoming vessels have sometimes been required to wait a number of days before unloading, while importers encounter delays of 1 to 2 months in receiving their cargo after unloading. Spoilage is consequently great owing to exposure and inadequate storage facilities. Numerous importers report having been advised by suppliers that December sailings from New York to Venezuela have been canceled—which, if it proves true, may bring about some improvement in the port situation.

A further step toward the restoration of normal foreign-trade conditions was the elimination, by resolution of the Ministry of Finance dated November 18, of import licensing requirements on a wide range of products. Of the 168 tariff items still subject to license, about 60 cover products for which export licenses are required by the United States export controls, and others which are directly or indirectly competitive with Venezuelan industry and agriculture. Of special interest in the latter category are pharmaceuticals, canned milk, fish products, cosmetics, paints, various chemicals, paper products, and various glass products.

Although production capacity was expanded by the completion of new wells, actual petroleum output continued to be held down by congested storage facilities. Average daily production during the 4 weeks ended December 4 amounted to only 741,500 barrels, compared with 761,500 barrels during the preceding 4 weeks and the peak of 825,300 barrels

during the first week in October. Additional applications for both exploration and exploitation concessions were approved by the Ministry of Development on extensive properties throughout the country. The 16-inch Jusepin-Mulata-Puerto la Cruz pipe-line was completed during the early part of November but will not enter into operation until the arrival of valves, expected soon.

The Treasury surplus during the first 4 months of the current fiscal year was reduced to 31,637,000 bolivares by a November deficit of 4,257,000 attributable to reduced petroleum receipts and enhanced expenditures. As of November 30, the aggregate Treasury surplus stood at about 140,000,000 bolivares ($42,000,000) and the Government direct internal debt at only 25,000,000 bolivares ($7,500,000).

It has been reported that negotiations with American, Mexican, and Peruvian cotton exporters for 2,000 tons of cotton lint for the domestic textile industry were recently closed with a contract for purchase of the Peruvian product at $0.21 and $0.2165 per pound, c. i. f. Venezuelan port. In accordance with the usual agreement with the Ministry of Development, import duties for this quantity will be reduced from 2.00 bolivares ($0.60) to 0.40 bolivar ($0.12) per kilogram. This will supplement the previous importation during the year of 1,000 tons of Peruvian cotton and a domestic crop estimated at 3,000 to 3,500 tons, lint content.

Development of air transportation was given an impulse by the arrival of 2 Beechcraft planes for TACA de Venezuela, which initiated survey flights, and 1 Lockheed 12 for AVENSA. The latter company has started a new service between Maiquetia (Caracas) and San Fernando de Apure via Valencia and Calabozo with a freight rate of 0.65 bolivar per kilogram for food products—which it is hoped will stimulate air transportation of freight from producing to consuming centers.

The labor situation remained quiet, with no disputes or strikes.

Haiti

(From the U. S. Embassy, Port-au-Prince)

At the end of the first week in December, coffee movements were still exceedingly slow. The crop has been very late, and movement to port has been hampered as exporters continue to hold off in anticipation of higher prices. The OPA announcement that coffee prices in the United States will not be increased has been viewed with disappointment, but has not caused a great deal of comment in the local press. Coffee sales to Switzerland reported previously still serve to cause exporters to expect high prices and good markets in Europe, but caution has prevented heavy buying in the local market.

The reduction in textile allocations for the fourth quarter of 1944 has resulted in much confusion among local importers. The great reduction in chambrays and denim allocations has not been compensated for by increased allocations of other types of cloth, because the peasant consumer has fixed buying habits and a limited amount of cash and will not buy the higher-priced goods. Merchants have found that exporters in the United States are offering sanforized cloths in good quantities, for example, but the local consumer has little interest in quality and will not buy at the prices offered.

The rapidly expanding banana trade has served to heighten local interest in the Standard Fruit & Steamship contract, which comes up for renewal in February 1945. Certain sections of the local press have been vehement in their denunciation of the Standard's monopoly position, while other sections have been almost equally favorable to Standard's position.

Announcement was made of export quotas on shipments of food to the British and Dutch possessions in the Caribbean area. These quotas are substantially the same as those established for the fiscal year 1943–44 recently ended, despite the fact that the rice crop is believed to be considerably smaller than in that year. Food prices have remained high in consequence of spirited competition in the export trade. The C. I. A. A. food-production program has already begun, and its operations are expected to increase food output. Attention was further drawn to this increased food undertaking by a visit a few weeks ago of a group of C. I. A. A. officials.

Dominican Republic

(From the U. S. Embassy, Ciudad Trujillo)

The port facilities of Ciudad Trujillo will be enlarged and improved under a $2,000,000 contract recently concluded with a Puerto Rican engineer. The project will include a 1,000-foot extension to the breakwater built in 1935; construction of 820 linear feet of reinforced concrete bulkhead for docking; and construction of two steel and concrete warehouses, 800 feet long by 60 feet wide each, totaling 96,000 square feet. The estimated cost of the improvements is $2,117,920, and the time for completion of the job is estimated at 18 months. The Dominican Government will dredge the harbor to a depth of 34 feet, the cost of which will be in addition to this contract.

Harvesting of the present coffee crop has already started on a large scale, and because of the sizable quantity of last year's coffee still on hand, the new coffee is being washed and stored for later processing. The warehouses around the country are stocked to their capacity, and as yet no shipments from the present crop have been made. The quality of the coffee has been reported as very good. The present crop is expected to exceed the country's last year's quota for sale to the United States by almost 100 percent.

Harvesting of the winter crop of cocoa has started already on a moderate scale, and the quality has been reported as better than that of the main crop of 1944. It is estimated that this crop will not exceed 500 metric tons.

The present rice crop is large, and the retail price of 15 cents per pound during the past month has dropped to 10 cents and 11 cents in the capital city. Exportable surplus, under contract to the FEA, is estimated at 200,000 quintals (1 quintal=101.4 pounds) for the fourth quarter of 1944 at $7.90 per 100 pounds.

As of October 30, 1944, there were only 30,670 metric tons of sugar on hand awaiting shipment. The total export of sugar from the Dominican Republic for the period January 30, 1944, through October 31, 1944, was 696,764 metric tons, with a disclosed export value of $40,398,084, representing 70 per cent of the total value of exports for all products during the same period ($55,355,443). This sets a new record in the export trade of this country, both as to quantity shipped and as to value.

The entire peanut crop for 1944 has been processed by the Peanut Oil Factory and sold to consumers. It is expected that during the first half of 1945 there will be no peanuts available to provide oil for cooking, and it will be necessary to import lard from the United States.

Honduras

(From the U. S. Embassy, Tegucigalpa)

The early drought which farmers feared might last throughout the next six months was broken by rains during November, saving the bean crop in many parts of the country. The greatest threat at the present time to a normal food situation in Honduras is the inability to transport produce. A new, more severe gasoline rationing program which began the first of December has already had the effect of raising food prices in many areas dependent upon truck transportation. Another factor which is affecting the food situation in some areas is the activity of speculators. It is claimed these speculators are buying up large amounts of food and holding it off the market long enough to effect a shortage and then plan to sell for high prices. This situation has been bitterly attacked in the press recently, as has the exportation of food crops needed within the country.

The most serious food shortage throughout the country continued to be sugar. The Tegucigalpa Council recently adopted measures fixing a ceiling price on this commodity and providing for rationing of the existing stocks among retailers. Meanwhile some relief in the hard-hit North Coast area was found when a small shipment arrived by schooner from Cuba. It is now believed that present stocks can be stretched out until February 1, at which time the new crop will be harvested in both El Salvador and Honduras. Bumper crops are expected in both countries, though the amount cultivated in Honduras is much too small to supply this country's needs.

Harvesting of the newly introduced abacá crop in the Honduran North Coast area has been underway for the past month, but it is still too early to report on the success of the project.

French West Indies

(From the U. S. Consulate, Fort de France)

The economic situation in Martinique was quiet in November pending the ar-

(Continued on p. 41)

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News by COUNTRIES

Belgian Congo and Ruanda-Urundi

Tariffs and Trade Controls

Plantation Arabica Coffee: Export Duty Applied.—The export duty of 6 percent ad valorem on plantation Arabica coffee in the Belgian Congo and Ruanda-Urundi, which had been reestablished on July 15, 1943, and later suspended for a period of 6 months beginning November 25, 1943, was again made applicable to such coffee, effective May 25, 1944, by ordinance law No. 253/Fin.-Dou. of August 30, 1944, published in the Bulletin Administratif of September 10.

[See FOREIGN COMMERCE WEEKLY of January 8 and March 18, 1944, for notices of reestablishment and suspension of this duty.]

Utilization of Import Quotas.—In order to utilize the import quotas granted to the Belgian Congo, importers are requested to conform scrupulously with instructions contained in Notice to Importers No. 124 of September 2, 1944, published in the Bulletin Administratif of September 10.

They are instructed to: (1) Apply early for licenses for the quota which is allotted to them through the Office of Supplies; (2) verify carefully the execution of their orders abroad; and (3) notify the Office if their suppliers or agents inform them that the order cannot be executed, or can be executed only partially, or that delivery cannot be made before the following year.

Thus the Office can either permit the goods to be imported from another source, or allot the unused quota to other importers.

Importers who, for one reason or another, do not send orders abroad for the quotas granted to them must inform the Office immediately, so that they will not deprive the economy of the colony of a part of the quotas allotted to it. The Office will revise the quotas of importers who do not utilize one-half of their quotas during the first half of the year.

Bermuda

Tariffs and Trade Controls

Bermuda Import Prohibitions Canceled on Long List of Articles.—The import embargo on a long list of products from all sources and on specified articles from nonsterling sources, established generally in May 1942, has been canceled, effective December 15, 1944, according to an announcement of the Bermuda Wartime Supplies Commission. Henceforth, the items previously prohibited may be imported under license without any quantity limitation. Such imports, however, will be charged against the over-all dollar quota allocated to each importer.

Among the items which have been removed from the embargo on importation from all sources are alcoholic beverages, mineral waters, cosmetics, electrical appliances such as cash registers, dishwashers, toasters, waffle irons, heating units, vacuum cleaners, and milking machines, certain foodstuffs considered as luxuries, household furnishings, kitchen utensils, ornamental jewelry, motorboats, marine engines, topping for ice cream sodas and sundaes, ping-pong tables, and various toys. Among the items affected by the removal of the embargo on specified products from nonsterling areas are scotch whisky, rouge, footwear, radio receiving sets, underclothing, woolen dresses, chinaware, cameras, fountain pens, pen and pencil sets, pencils, playing cards, watches, and wedding and engagement rings.

The removal of the import embargo was reportedly made possible by the improvement in the shipping situation and of the easing of trade controls in general.

The Cover Picture

Carabao

For the cover of this special Philippine Number of FOREIGN COMMERCE WEEKLY we have chosen to play up the most distinctive Philippine animal. Anyone who is at all familiar with the life of the Islands hardly needs to be reminded that the carabao, or water buffalo, is the faithful companion of the Philippine farmer. Used by Filipinos when the Spaniards first arrived in the Archipelago, down through the years these big, powerful beasts have pulled the native's plow and done most of his heavy hauling. This picture has been made available through the courtesy of the U. S. Department of the Interior.

Bolivia

Tariffs and Trade Controls

Machinery for Sawmills: Duty-Free Importation Authorized.—The importation into Bolivia of machinery, accessories, spare parts, and other implements destined for the installation of sawmills has been exempted by a law promulgated October 7, 1944, from all import duties, departmental and municipal duties and taxes, and the general sales tax of 6 percent.

Canada

Economic Conditions

WAR YEARS WITNESS GREAT INCREASE IN UNION MEMBERSHIP

Union membership in Canada has increased by more than 85 percent since the beginning of the war, according to figures appearing in the Canadian Department of Labor's thirty-third annual report, "Labor Organization in Canada." Membership figures, based on reports from headquarters of the various unions as of December 31, 1943, show a total union membership of 664,533, compared with 358,967 in 1939.

Of the total union membership recorded, 2,041 locals with 249,450 members were affiliated with the Trades and Labor Congress of Canada. These, in turn, are affiliated with the American Federation of Labor. The Canadian Congress of Labor, an affiliate of the United States Congress of Industrial Organizations, had 245,812 members in 710 locals; the Canadian and Catholic Confederation of Labor had 68,576 members in 268 locals, and 34,590 union workers were listed with 364 locals of the International Railway Brotherhoods.

The metals industry, with 199,487 members, accounted for exactly 30 percent of Canada's total union membership; 148,951 transportation workers made up another 22.5 percent. The largest percentage increase in 1943 occurred in the textile industry; the total number of union workers rose to 18,084, a gain of 73.2 percent over the 1942 membership of 10,436.

Distribution of union membership in the main industrial groups was as shown in the following table:

Ontario led the provinces with 211,970 union members; Quebec totaled 188,714, and British Columbia had 87,485 union workers. Montreal, with 219 locals reporting 114,884 members, topped the list of union distribution by cities. Toronto was second, reporting 70,420 members in 216 locals; Vancouver, with 56,518 members reported by 132 locals, was third.

Industry	Membership	Percent of total
Metals	199,487	30.0
Steam railway transportation	108,128	16.4
Other transportation	40,823	6.1
Construction	60,084	9.0
Public and personal service and amusement	57,484	8.7
Wood and wood products	38,689	5.8
Clothing and footwear	37,563	5.6
Mining and quarrying	36,825	5.5
Foods	19,183	2.9
Textiles	18,084	2.7
Printing and publishing	10,579	1.6
Light, heat, and power	27,918	1.2
All other industries (including teachers and civil-service groups)	29,686	4.5

Wartime Commodity Controls

Permits No Longer Required for Machine Tools With Special Electrical Specifications. Regulations in effect in Canada since November 15, 1942, requiring permission from the Machine Tools Controller for the purchase and manufacture of machine tools with special electrical specifications have been rescinded by the Department of Munitions and Supply. The rescinded controls covered any power-driven machine for the cutting, abrading, grinding, shaping, or forming of metals, excluding machines portable by hand. Electrical devices normally supplied on machine tools by producers were not subject to control.

Domestic Purchase and Sale of Cutting Tools No Longer Controlled.—Cutting tools may now be purchased and sold in Canada without the necessity of approval by the Machine Tools Controller, as a result of an order of the Department of Munitions and Supply rescinding Machine Tools Controller Order, M. T. C. 4, in effect since July 31, 1943. The revocation of these controls reflects the abundant supply of cutting tools produced by Canada's greatly expanded cutting-tools industry.

The foregoing revocation applies only to domestic purchases and sales. Under Machine Tools Controller Order, M. T. C. 1A, persons in Canada are still required to obtain permits in writing from the Government-owned corporation, Cutting Tools & Gauges, Ltd., before they may import these tools from other countries.

Chile

Tariffs and Trade Controls

Cement: Importation of 900,000 Sacks Authorized.—The importation into Chile of 900,000 sacks of cement has been authorized by decree No. 1167 of the Ministry of Economy and Commerce, dated October 20, and published in the Diaro Oficial of November 18, 1944. This quota of cement is subject to certain conditions under the control of the Commissariat General of Subsistence and Prices.

Unofficial sources state an additional import quota of 600,000 sacks has also been authorized by the Ministry of Economy and Commerce.

[See FOREIGN COMMERCE WEEKLY of September 2, 1944, for previous reference to cement quotas.]

China

Transport and Communication

Plan for Restoration of Grand Canal.—The Nanking government of China is reported to have decided to restore the Grand Canal to navigation, the work to be completed within 3 years. The first section to be restored under the plan is to be that from Kuachow, on the Yangtze River, to Weishan Lake on the Kiangsu-Shantung border. This section, which is 235 miles long, is expected to be completed within a year, after which work is scheduled to begin on the section from Weishan Lake to Tsining, passing through the old bed of the Yellow River and proceeding northward to Lintsing. This section is considered the most difficult to construct. The third section is to reach to Tientsin; and the final section is to continue from that point to Peking.

France

Economic Conditions

WAGE INCREASES IN THE PARIS AREA

Wage rates in the Paris region were increased provisionally, effective September 1, 1944, according to an order published in the Journal Officiel of the French Republic of September 16, 1944. The provisions of the order are applicable in the Departments of Seine, Seine-et-Oise, and Seine-et-Marne to practically all types of private and public employment except to mines and to public services under concession.

The Paris area for the purposes of this order has been subdivided into three zones. In the first zone (the Seine and part of Seine-et-Oise), minimum hourly wage rates are increased by 5 francs for all workers of either sex 18 years old or over; in the second zone (the part of Seine-et-Oise and part of Seine-et-Marne) rates are increased by 4.40 francs; in the third zone (the remainder of the area) the increase amounts to 4 francs. The increase is added to the actual wages paid for the last pay period preceding the issuance of the order. The new rates, however, must not raise wages to more than 30 francs per hour or 6,000 francs per month. For workers less than 18 years old the increases are as follows: 50 percent of the increase for adult workers for workers of 14 years, 60 percent for those 15, and 80 percent for those 16 and 17 years old. Rates of pay for workers not remunerated on an hourly basis must be correspondingly increased.

Pertinent Comments on World Economy Today

[Being one of a series of excerpts from books, pamphlets, messages, and speeches]

The Labor-Costs Factor in International Commodity Movements

The so-called "cheap labor" argument against freer international trade is a variant form of a common fallacy. It depends essentially upon the belief that a country with low labor standards can undersell another whose labor standards are higher. The elementary point must first be made that wages per hour or per day are no indication of labor cost per unit of production. The automobile workers of the United States have wage rates higher than automobile workers in any other country; but automobile production costs are lower, and labor forms a smaller proportion of total production costs, in the United States than anywhere else. The fact is that low wages are often a sign not of efficient, but of inefficient, production, and in most industries low wages indicate *in*ability, rather than ability, to compete effectively in foreign markets.

It is of course true that there are some industries in which labor cost is a high proportion of the total costs of production and in which hand skills are preferable to machine efficiency. Hand embroideries offer a good example of such an industry. Cheapness of labor cost per hour is deflected in labor cost per unit of production and in total cost of production. It is unlikely that machine products can compete successfully in such markets. The most effective method of dealing with this situation, however, is not to debar consumers from the cheapness and satisfaction to be gained from such imports, but to raise living standards by direct action in the countries of cheap labor. Trade-union organization and properly enforced legislation to improve working conditions and wage levels are most likely to be successful when the industry is reasonably prosperous. If it is thrown into depression by the closing of its export markets, there is little chance of achieving a leveling up of labor standards.

In any case trade must be maintained on a two-way basis if living standards are to be maintained where they are now high. Not only is employment in the industrial countries dependent upon export markets in addition to local demands, but a substantial part of the improvement that has taken place in living standards has come from ability to import a variety of foods, textiles, minerals, and manufactures for personal use from wherever they are best made.

(From "The Common Interest in International Economic Organisation," by J. B. Condliffe and A. Stevenson. Published by the International Labour Office at Montreal, Canada. Price, $1.50.)

The Right Place for Japanese Money

When the Japanese were still in possession of practically all of New Guinea and were approaching Port Moresby, invasion point for the Australian continent, they carried with them truckloads of crisp home-made "invasion bank notes," to be used after the expected conquest of Australia. But Australia was not invaded, and the Japanese were gradually driven off the island. Unable to dispose of the bank notes according to schedule, the Nipponese used them to "pay" the natives of New Guinea for their labor and their produce.

As soon as the territory was recaptured, the Netherlands Indies authorities called in the worthless bank notes and devised an ingenious plan to reimburse the natives for their loss. In the souvenir shop at Hollandia, which is the greatest attraction for American servicemen and women in that region, they offered for sale neat packages of four Japanese bank notes of various denominations, at a ceiling price of 3 guilders (about $1.60). The proceeds of the sales are turned back to the natives who turned in the bank notes.

Each day there is a continuous stream through Hollandia's main street of jeeps, trucks, and other vehicles crowded with souvenir-hunting Americans who want to buy native-made articles for the folks at home. The souvenir shop is doing a thriving business, but prices are regulated by the authorities, and the proceeds are applied to lessening the needs of the native population. The Japanese bank notes stand at the *top* of the lists of the souvenir seekers.

For workers in the lowest wage category the increase amounts to nearly 50 percent.

French North Africa

Tariffs and Trade Controls

Food Products: Additional Pure-Food Requirements Established in French Morocco.—No manufactured products intended for human consumption in the French Zone of Morocco, whether imported or manufactured locally, may be placed on sale or sold at wholesale or retail unless they comply with the labeling, registration, and permit requirements established by a vizierial order of September 1 and an order of September 2, 1944, published in the Bulletin Officiel of September 15. Exception is made only for those products defined by the pure-food regulations established by the dahir of October 14, 1914, and orders issued under that dahir.

Prior authorization of the Director of Economic Affairs is required for products appearing on the market for the first time following publication of the vizierial order of September 1, 1944. For products which appeared on the market before the publication of this order, but after June 30, 1940, or of which the composition has been modified during that period, authorization for sale was to be obtained during the 2 months following publication of the order.

Imported products are subject to control at the time of importation.

Technical Control of Manufacture, Packing, Labeling, and Exportation Revised in French Morocco.—The control established in the French Zone of Morocco by the dahir of June 21, 1934, on the quality, packing, and labeling, of certain Moroccan products for exportation has been revised and extended to include similar control for Moroccan products intended for domestic consumption, by a dahir and a vizierial order of September 1, 1944, published in the Bulletin Officiel of September 15.

The list of products to which this control is applied and the inspection fees to be collected are contained in the vizierial order of September 1.

French West Africa

Tariffs and Trade Controls

Import License Procedure for Orders Under 1945 Program in French West Africa and French Togoland Established.—The procedure to be applied in French West Africa and French Togoland for the execution, in accordance with the 1945 program, of orders for the importation from abroad of goods for which the return to commercial channels will be permitted, has been established by order No. 3017 S. E. of November 9, 1944, published in the Journal Officiel of French West Africa on November 18.

Following announcement of the quotas granted, the Committee of Foreign Commerce will put into effect the planned allocation among the distribution sectors established by order No. 1042 of April 8, 1944 (see below).

Import licenses will be issued, within the quota limits thus fixed, to importers authorized to claim allotments by virtue of the provisions of order No. 1042, at Dakar by the Committee of Foreign Commerce and in the other distribution sectors by the service designated for this purpose by the head of the colony concerned.

Import licenses will be established either:

(*a*) Globally, in the name of a syndicate or a group of importers, for quotas corresponding to the shares of its members, the syndicate in question being required to distribute the goods received according to the rules fixed by order No. 1042; or

(*b*) Individually, in the name of a merchant belonging or not to a syndicate or group, on condition that the individual share of this merchant amounts to at least 5 percent of the quota allotted to the distribution sector; or

(*c*) Without obligation of a minimum percentage, to a utilizer or a group of utilizers, in the case of articles or goods for a clearly determined special use which shall have been included in the quotas fixed, in order to satisfy the special needs of this utilizer or of this group of utilizers.

However, when these articles or goods are included in the list of industrial products specified in order No. 2757 of October 5, 1944, the issuance of import licenses will be subject to approval of the Director of Industrial Production or his delegate.

Import licenses are to be valid for a period of 180 days, not counting the date of issuance. Extensions of a period of 90 days may be granted, however, if, at the expiration of the 180 days, the license holders can prove that they have placed the orders.

Regulations applicable to commercial operations subject to exchange control will be issued by the Direction General of the Central Finance Office of Overseas France and by the Direction of the Exchange Office of French West Africa.

The importation of foreign goods for which a quota is not fixed or from which a quota has been removed remain subject merely to fulfillment of the formalities provided by the decree of September 9, 1939, relative to the regulation of imports and exports in time of war.

[See COMMERCE REPORTS of September 23, 1939, for announcement concerning the French decree of September 9, 1939, which was applied in French colonies. A summary of order No. 2757 of October 5, 1944, regulating importation of industrial products will appear in a subsequent issue of FOREIGN COMMERCE WEEKLY.]

Distribution of Goods Imported Under Administrative Control Revised in French West Africa and French Togoland.—The procedure for distribution of goods imported under administrative control into French West Africa and French Togoland have been revised by order No. 1042 S. E. of April 8, 1944, published in the Journal Officiel of French West Africa on April 15.

In order to assure the distribution of goods consigned in care of the Committee of Foreign Commerce, or of its representatives, or through administrative channels, the colonies of French Guinea, the Ivory Coast, Dahomey, Niger, and French Togoland each constitute a distribution sector. The colonies of Senegal, Mauritania, French Sudan and the territory of the Circumscription of Dakar and Dependencies are grouped in a single distribution sector; however, distribution subsectors may be formed in the interior of this latter sector upon proposal of the Board of Management of the Committee of Foreign Commerce after recommendation by the interested Chambers of Commerce.

Effective from June 1, 1944, the allocation of the goods will be effected, in each distribution sector, among licensed importers who have imported similar goods during the years 1938–1939 and 1940–1941–1942. The share of each person receiving an allotment will be proportional to the figure obtained by adding the amount of imports during the years 1938–1939 multiplied by the coefficient 2,

and the amount of imports during the years 1940–1941–1942 multiplied by the coefficient 1.

Special regulations apply to goods imported by consumers' cooperatives, provident institutions, public services, and the like.

Haiti

Economic Conditions

Business activity in Haiti in the quarter ended September 30 (the final quarter of the 1944 Haitian fiscal year) was spotty, being influenced directly by changes in outlook for marketing principal export crops.

In the domestic trade, July was a very dull month; only the banana trade furnished any stimulation. In August, anticipation of a good coffee crop tended to revive business spirit, but rapidly moving events in Europe, which somewhat disturbed the domestic market, led wholesalers and retailers to attempt to liquidate stocks. Little was sold, however, as buyers held off for further markdowns in sales prices. In September, attention still centered on the 1944–45 coffee crop, which appeared to be abundant and of good quality. Expectations of wider markets in Europe, stimulated by Swiss purchases at prices considerably above ceilings in the United States, resulted in high prices being offered to farmers for the new crop, and there was little effort by exporters to sell in the United States.

Foreign trade during the quarter, on the other hand, was good, registering a 50-percent increase over the total foreign trade in the corresponding period in 1943. Featuring the high level of exports were shipments of sugar and bananas. Sugar exports were the largest since the foundation of the Republic in 1804. The remarkable recovery in the banana trade brought the total value of exports of that fruit to levels never before achieved. Though coffee continued to be the largest single item of export, its dominance among exports was greatly reduced. On the whole, imports exceeded exports in value during the period, reducing the export balance built up in the preceding quarter.

Principal Export Crop Movements

The 5,251 metric tons of coffee exported in the quarter under review were considerably larger than in the corresponding period of any recent year, and values received were higher. Exports were valued at $1,182,664. Coffee exports for the fiscal year were 23,116 metric tons, valued at $5,196,765. While volume was a little below that recorded in the year 1942–43, it was better than the average of recent years.

In the past fiscal year sugar production was the largest since colonial days. Exports of sugar in the final quarter were nearly as great as the exports recorded in the entire year 1942–43. The total for the 1943–44 fiscal year was 77,385 metric tons, valued at $4,312,102, as compared with 11,534 metric tons, valued at $674,767 in the year 1942–43. These heavy exports resulted from the Commodity Credit Corporation contract of August 1943, which enabled the industry to dispose of huge warehoused stocks and practically the entire production of 1944. Purchases under the contract were taken over by the British Ministry of Foods early in 1944.

Exports of bananas continued to increase markedly in the quarter under review, reaching levels not attained since the year 1940–41. Exports have been increasing gradually since October and November 1942, when shipments of the fruit almost ceased. Decreasing restrictions on shipping and the activities of independent trawlers accounted for this stimulation. Exports registered 1,034,228 stems, valued at $650,558, in the final quarter of the 1943–44 fiscal year, as compared with 603,695 stems, valued at $283,737 for the entire year 1942–43. The total exports of bananas for the entire fiscal year 1943–44 were 2,889,677 stems, valued at $1,596,353.

Exports of sisal in the quarter under review, though greater than in the corresponding quarter last year, were disappointingly small in comparison with earlier forecasts. Total exports of sisal for the entire fiscal year 1943–44 were 8,796 metric tons, valued at $1,545,164, compared with 10,740 metric tons, valued at $1,974,494 in 1942–43.

Exports of cotton in 1943–44 amounted to 4,680 metric tons, valued at $1,095,766, compared with 2,002 metric tons, valued at $409,786, in 1942–43. As usual, since the outbreak of war, Colombia took the bulk of the Haitian cotton exports. Exports during the quarter, usually a slow season for cotton, were only 508 metric tons.

The cocoa crop moved very irregularly and slowly throughout the entire fiscal year and total exports were below normal. Exports for the period under review were 330 metric tons, valued at $50,905, a 26-percent increase in volume and a 10-percent increase in value over those in the corresponding period in 1942–43.

Employment and Labor Conditions

Employment by the Société Haitiano-Américaine de Développement Agricole (SHADA) continued to decrease during the quarter as a result of the abandonment of most of the Cryptostegia rubber program. Employment by SHADA in other agricultural undertakings appeared to be stabilized at between 6,000 and 8,000 employees. Labor has never constituted an important factor in Haitian economy because of the widespread ownership of land by the rural population, and surplus wage labor is easily reabsorbed into agriculture.

Manufacturing and Industry

Two developments of future significance in the field of manufacturing in Haiti took place in the period under review. First in time and importance was the signature on July 26, 1944, of a contract between the Haitian Government and two local residents providing for the construction of a cotton-textile mill within 2 years. The contract provided exclusive rights to the concessionaires to build a spinning and weaving mill and to operate it for 15 years; the monopoly extends also to the printing, bleaching, and dyeing of textiles or cotton used in the factory. Expected production is estimated at between 3,000,000 and 9,000,000 square yards of coarse cloth.

On August 20, 1944, the Haitian Government signed a contract providing for the exclusive processing and export of coconuts for a 2-year period. The concessionaires were given the right to establish plantations, buy nuts, and to process and export them. The expected maxi-

Mexico's Technicians Planning Institute to Stimulate Private Initiative

A group of technicians in Mexico is planning to stimulate private initiative and industry through a proposed Instituto Nacional de la Iniciativa Privada—National Institute of Private Initiative—which would provide Mexicans as individuals with a medium for fully utilizing their technical contributions, experience, and enterprise in increasing production and raising living standards. The project is described by Concha de Villarreal in a recent issue of the publication Excelsior, of Mexico City.

One of the beneficial effects of the plan, according to its sponsors, would be a fuller utilization by Mexican industry of Mexican inventions, many of which are now sold to non-Mexican enterprises because a ready, well organized market for patents does not exist in Mexico. Cited among recent important inventions by Mexicans are the chromoscopic television adaptor of Cuillermo Gonzalez Camarena, for analyzing and synthetizing color, the two-headed helicoidal spike of Jose Collantes, acquired by Mexico's National Railways for 25,000 pesos, and many others.

Moreover, the Institute would lend material aid to thousands of obscure research workers, scientists, technicians, and inventors in many small provincial towns, who now lack the means to carry their work to rapid and successful completion, or of making their work available to agriculture and industry in Mexico. A system of fellowships and subsidies would be created by the Institute to provide funds and technical advice in the development of processes and inventions which promise to be of value to the Mexican national economy.

The project, according to Excelsior, has met with the enthusiastic approval of many Mexican industrialists, agriculturalists, scientists, labor leaders, and cattle raisers.

mum capacity of the plant was 9,000,000 coconuts per year.

Oil drilling has so far produced no positive results. Exploratory surveys of the bauxite deposits, however, were continued.

Foreign Trade

Although foreign commerce declined from the high levels of the preceding quarter, trade in the 3 months under review was well above average. Total trade was valued at $7,595,000 of which imports accounted for $4,111,000 and exports $3,484,000. Total foreign commerce for the fiscal year 1943–44 was the highest since the year 1928–29. Total trade for the fiscal year amounted to $32,139,000; imports were valued at $16,031,000 and exports at $16,108,000.

The United States' share in Haiti's trade declined somewhat from that attained last year. Whereas in the year 1942–43 the United States supplied more than 76 percent of all Haitian imports, its share in the year 1943–44 decreased to less than 70 percent. In the year 1942–43 the United States took slightly more than 80 percent of Haitian exports, as compared with 65 percent in 1943–44. Increased imports were received from the United Kingdom and other British areas, Cuba, and Mexico. Shipments from Mexico consisted largely of textiles. Larger exports were made to the United Kingdom, Cuba, and Colombia.

Credits and Collections

Credit terms during the quarter were reported as tight and collections as normal to slow. Loans and discounts fell off considerably from the level of the preceding quarter varying between $700,000 and $900,000 in contrast with an average of $1,300,000 in the preceding quarter, and an average of $1,380,000 in the corresponding 3 months of 1943. Past-due loans and discount items increased during the period under review and were well above these items during the corresponding period of 1943.

Currency and Circulation

Currency circulation continued the decline which has been characteristic of the present year. As of September 30, 1944, the total outstanding was $5,375,000. The contraction has been due in part to decreased SHADA activities and in part to the normally dull summer season.

India

Economic Conditions

The economic situation in India during October was distinctly easier than for many months. The price level steadily fell principally as a result of continued favorable war news. On the whole, the condition of crops was good, and grain procurement was reported to be progressing without major difficulties.

It was officially announced that 300,000 tons of food grains would be shipped to India from abroad during the final quarter of 1944, which would raise the total grain allocations to India from the end of September 1943 until the end of 1944 to 1,100,000 tons. According to the reports received by the Central Food Department, the winter rice crop in Bengal was expected to be good if normal weather conditions prevailed during November and December. The autumn crop, already harvested, was normal. Rice prices in Bengal, on the whole, continued to decline, and during the fortnight ended October 17 the average of subdivisional prices was 12 rupees 14 annas per maund ($3.88 per 82.29 pounds or 4.7 cents per pound), a fall of about 7 annas (13 cents) per maund during the fortnight. Prices of other food products, however, continued high. The Punjab government has prohibited futures trading in rice and paddy throughout the Province.

Post-War Planning Developments

At the end of the month, the trend of government thinking with respect to post-war economic development was clarified to some extent by a statement of the Planning and Development Member before the first meeting of the Policy Committee on Industries. He made it clear that the government is determined to foster an intensive development of industries, and that tariff protection will be extended and import controls continued as will control over capital issues. Although he said that the government of India would not attempt to canalize foreign orders, he emphasized that they would have to be registered with the government, otherwise import licenses and official assistance in procurement abroad would not be forthcoming. The bottlenecks he expects are a shortage of capital goods abroad and of trained personnel in India.

The government is planning, he revealed, to send 500 young Indians overseas for technical training, to establish a training institution in India modeled after the Massachusetts Institute of Technology, and to organize a centralized agricultural training college. In order to overcome constitutional handicaps, he suggested the creation of an authority similar to TVA to which both the provinces and the Central Government can surrender powers. Funds available to finance post-war development will be adequate, in his opinion, and he referred to an estimate last spring by the Finance Member that 10,000,000,000 rupees (approximately $3,000,000,000) should be available for development purposes, during the first 5-year period after the war, half from budget surpluses and half from loans, with private investors able to raise an equal amount.

The Planning and Development Member also indicated that the government would own some industries, such as munitions plants and those not sufficiently attractive to private investors but socially desirable, although in the latter case the government might permit private industry to take over management. In general, however, he indicated that India would remain a capitalistic economy modified by strict government control where needed.

Financial Developments

Sterling securities of the Issue Department of the Reserve Bank of India amounted to 8,443,000,000 rupees ($2,543,-

Commercial Exports to French Africa: New Rulings by FEA

The Foreign Economic Administration, on December 12, notified exporters that, effective immediately, certain automotive replacements and repair parts may be exported commercially to French West Africa, which includes Mauritania, Senegal, French Guinea, Ivory Coast, Togoland, Dahomey, French Sudan, and Niger.

Exporters were also notified in Current Export Bulletin 215, mailed to them December 11, that French West Africa, French North Africa, and Corsica have been placed in country Group G. This permits exportation under general license to these destinations of most commodities up to a value of $25.

As a result of this action by FEA, limited commercial exports to these areas may now be resumed.

Exceptions to the list of commodities that may be exported under general license to Group G destinations were previously announced in Current Export Bulletin No. 193, dated September 27, 1944, which was amended by Current Export Bulletin No. 208, dated November 9, 1944. The permission to export gift shipments to Corsica was announced in Current Export Bulletin No. 203, dated October 24, 1944.

Information regarding procedure for filing export license applications for automotive replacement and repair parts for French West Africa follows:

1. The export license application should be prepared on Form FEA 419 and should include an additional copy, the sextuplicate. The application should be submitted to the Requirements and Supply Branch, Foreign Economic Administration, Washington 25, D. C. The quintuplicate copy of the export license application should be retained by the exporter for his file.

2. The applicant should indicate the number of the import license covering the proposed shipment in answering question 5 on FEA 419. If no import license has been obtained, the fact should be stated.

3. The country symbol for French West Africa, "FR–WA," should be noted under question 3 on the export license application.

Cargo for French West Africa should be booked in accordance with the procedure outlined in Subject 1, Current Export Bulletin 194. For shipments to French West Africa, Statement of Cargo Availability Form FEA 138 should be filed in quintuplicate.

000,000) on October 6, 1944, compared with 8,313,000,000 rupees ($2,504,000,000) on September 10, an increase of 130,000,000 rupees ($39,000,000) in the 4-week period. During the same period cash and short-term securities held abroad by the Banking Department increased by 227,000,000 rupees ($68,375,000) to 2,981,000,000 rupees ($897,900,000), bringing the bank's total foreign assets as of October 6, 1944, up to the equivalent of $3,441,000,000. This is roughly the magnitude of the much-discussed sterling balances, the manner of liquidation of which has yet to be agreed upon by Britain and India. With the expenditures in India of Britain and the United States almost certain to increase in coming months, the size of the sterling balances also is likely to increase rapidly.

Representatives of the governments of British East Africa and the Anglo-Egyptian Sudan failed to reach agreement with representatives of the government of India during meetings in New Delhi on October 20 and October 21 with respect to the prices at which India should purchase East African and Sudan cotton. The government of India was unwilling to contract anew at prices agreed to last February which cover the 1944 crop.

Money market conditions remained easy with a plethora of funds. Early indications were that this year produce finance requirements may fail to harden money rates. Prices of commodities are at more reasonable levels, and the total cash outlay needed to move the various crops in the coming season will be appreciably less, while cash in the hands of bazar bankers is higher than heretofore. It is therefore considered unlikely that the busy season will result in a lowering of deposits with scheduled banks. The stock exchanges were listless early in October but developed erratic buoyancy late in the month.

[From a report prepared by Sheldon T. Mills, Secretary, American Mission, New Delhi.]

Tariffs and Trade Controls

Import Controls Relaxed.—According to unofficial press notices issued in India, the Government has liberalized the import control policy in certain directions with the objective of insuring for India, through imports, increased supplies of essential consumption goods for civilian use. It is said that this action has contributed materially toward checking the upward price trend. Goods for which increased imports have been arranged are listed as medical stores, paper, textiles, apparel, stationery, sewing machines, typewriters, paints, and other articles.

The Chief Controller of Imports has announced that the general policy will be to issue licenses for the import of consumer goods, provided manufacturers are willing to fulfill firm orders.

Specific measures of relaxation include the following:

Import licenses outstanding at the end of the first half of 1944 were automatically revalidated for the second half of the year.

Organization and Functions of New Chinese W. P. B. Outlined by Dr. Wong

An over-all picture of the organization and functions of the Chinese War Production Board, the creation of which former American WPB head Donald Nelson described as "the biggest economic step yet taken by China toward the destruction of our enemy," was given by Dr. Wong Wen-hao, its chairman and Minister of Economic Affairs, at a recent press conference in Chungking (says a recent press release by the Chinese News Service in New York City).

The principal function of the new war agency, Dr. Wong pointed out, is "to increase productivity through centralized control, promotion, and coordination." He emphasized that "the W. P. B. will not itself be engaged in production, but rather direct all production organizations in maximizing the production of goods required during wartime."

The Chinese W. P. B., Minister Wong continued, will not handle directly such matters as the transportation of materials, the distribution of labor, and the financial measures, but will decide on general policies and direct all organizations concerned to act according to its decisions.

Article III of the Organic Law of the W. P. B. empowers it to exercise control over the following wartime functions of government, says the Chinese News Service:

(1) Production of war materials and essential civilian supplies.

(2) Procurement of essential materials and supplies from domestic and foreign sources.

(3) Priorities of production.

(4) Export and import of critical war materials and civilian supplies.

(5) Priorities of transportation of war materials and essential civilian supplies, both within China and between China and foreign countries.

(6) Allocation of materials, facilities, and industrial manpower.

(7) Standardization and conservation of materials and products for war and essential civilian use, including authority over specifications and technical development of material and production.

(8) Stockpiling of war materials.

(9) Requisitioning of war materials, facilities, and products for essential war-production purposes.

(10) Limitations and use of materials, machinery, and equipment in construction of buildings, highways, public works, and similar undertakings.

(11) Determination of need for additional funds for procurement of industrial facilities through the appropriate agencies of the Government.

For instance, Dr. Wong explained, "the purchase of essential materials from abroad will continue to be undertaken by the existing organizations, but the questions relating to priorities will be decided by the W. P. B. Similarly with the transportation of war supplies: transportation organizations must carry out the priority program fixed by the W. P. B. The stockpiling of materials will be in the hands of existing organizations, which, however, must follow the direction of the W. P. B. in regard to the kinds and quantities of the goods to be stored. The funds needed for the financing of war production will be provided by the financial organizations concerned in accordance with the decision of the W. P. B."

Quotas for the import of fountain pens, pencils, and stationery, other than paper, from the United Kingdom have been increased to 100 percent of the imports for the year on which the import license quotas are based.

Individual licenses are no longer required for imports by small boats from sterling areas in the Middle East, the Persian Gulf, and East Africa.

Licenses to be Issued for Steel Pens From the United States and Canada.—A notice issued by the Import Trade Controller, Calcutta, November 21, 1944, informs importers of stationery from North America that licenses will be issued for a limited quantity of steel pens for import from North America for the period ending June 1945. Applications for licenses had to be made by December 15, 1944, and statements of imports of stationery during the year April 1, 1940 to March 31, 1941, were required with the applications. It was stated that a pro-rata distribution would be made based on the applicants' shares in the imports of such items during the above year. Orders may be placed either with United States or Canadian suppliers.

Heavy Machinery: Special Control of Imports Contemplated.—Unofficial reports from India indicate that a special officer will be appointed in the Office of the Chief Controller of Imports, Indian Commerce Department, who will be responsible for the forward planning of imports of heavy machinery and capital goods for post-war reconstruction and development. According to reports, this officer will examine applications from industrialists and other entrepreneurs for the import of heavy machinery and arrange for imports.

The Chief Controller of Imports stated on October 18, 1944, that a public statement would be made in the near future laying down the Government's policy with respect to the importation of machinery during the post-war period.

Iran

Tariffs and Trade Controls

Current Import Licensing Procedure.—Import licenses in Iran, which are required on practically all products, are issued by the Foreign Trade Control Division, Tehran. According to a Tehran press report of September 27, 1944, all applications for import licenses must be accompanied by six copies of the importer's inquiry, plus the original and five copies of the exporter's offer to supply, or six copies of the importer's provisional order plus the original and five copies of the exporter's acceptance of order. If approved, an import license is issued and the imported is advised of the license number, which must be forwarded to the exporter in the supplying country in order that he may, if required, obtain the necessary export license. The import licensing system is coordinated with the quotas established by Combined Supplies Committee subject to the approval of the Middle East Supply Center in Cairo, Egypt.

Within 30 days after issuance of the license, the Iranian importer is required to produce evidence of a firm order; otherwise, the import license is subject to cancelation. If the importer is unable for some reason to take delivery of the goods covered by the license, he must advise the Foreign Trade Control Division.

In order to avoid inconvenience or loss to importers or their suppliers, the Foreign Trade Control Division has urged Iranian importers not to open letters of credit or make advance payments until notified of the license number following approval of the import application.

New Zealand

Economic Conditions

Agriculture

In general, prospects at the beginning of the season for 1944–45 agricultural and pastoral production were good, with increased supplies of manpower and fertilizer and higher prices for certain products. The weather during July, August, and September was generally favorable.

Farm labor shortages were being eased by the return of some thousands of New Zealand troops from the Pacific, and a survey of the forces was being made with a view to diverting nonessential personnel to rural industry.

It was expected that some 250,000 tons of phosphatic rock would be available for the 1944–45 season, or an increase of roughly 33 percent over the quantity available in 1943–44. Normal requirements, however, are at least double the amount available for 1944–45.

On August 3, the Prime Minister announced increased prices for butter and cheese to be paid to New Zealand by the United Kingdom under long-term contracts for the purchase of New Zealand's exportable surplus of these commodities over a period of 4 years. At the end of 2 years prices will be reviewed. It was also announced that the United Kingdom would buy New Zealand's total exportable production of beef, veal, mutton, and lamb for the next 4 years and the exportable surplus of pork up to the end of June 1946.

Following consultation between the dairy industry and the Government, the Prime Minister announced on September 6 increases in dairy farm workers' wages, allowances to working farmers, and a farm cost allowance representing an increase in payment to farmers of 2.12 pence per pound of butterfat. The portion of the price increase paid by the United Kingdom, which is being withheld by the New Zealand Government, is to be paid into the Dairy Industry Stabilization account.

Lump sums which the United Kingdom has agreed to pay New Zealand to offset discrepancies between the cost of goods imported from Britain during the war and prices paid by the United Kingdom for New Zealand produce are, it is understood, to be retained for the benefit of the nation as a whole. Details as to how these sums will be used have not been announced.

The 1944–45 dairy season started well, with marked increases in total butterfat production as compared with the first 2 months of the 1943–44 season. It appeared that the total production in 1944–45 would show an increase over the preceding season.

Although livestock figures showed decreases in the total number of both cattle and hogs, it was hoped that the partial alleviation of labor and fertilizer shortages, increased dairy prices, the prospect of higher prices for meat, and a subsidy on hog feed crops would result in increases in the number of cattle and hogs. Indications were that total meat production in 1944–45 might show an increase over 1943–44.

According to unofficial figures, wool production in 1943–44 totaled 943,283 bales. There were indications that the 1944–45 clip would exceed that of the preceding year.

It was announced that the estimated wheat acreage in New Zealand in 1944–45 would be 200,000 acres, which is some 100,000 acres below the goal set for this season. In view of the drought in Australia, from which source New Zealand normally imports several million bushels annually, New Zealand farmers were being urged to grow more wheat.

Government Budget

Estimated receipts and expenditures in the budget of the government of New Zealand for the fiscal year ending March 31, 1945, exceed £NZ200,000,000, including transfers of £NZ10,700,000 between accounts. The other main features are (1) war expenses reduced to £NZ133,000,000; (2) estimated deficit of £NZ47,000,000 in War Expenses Account to be met by internal borrowing; (3) no change in taxation; and (4) larger allowable income in relation to family benefits.

The estimated net expenditures of the War Expenses Account in 1944–45 are £NZ15,000,000 below those of the preceding fiscal year and £NZ19,945,448 below actual expenditures for that year. The decrease is offset to a large extent by reductions on the receipts side, principally in Lend-Lease and in transfers from the Consolidated Fund.

War taxation is expected to cover £NZ45,500,000 of the total estimated expenditures, and internal loans, £NZ47,000,000. Of the latter total, £NZ40,672,104 were raised through subscriptions to the £NZ40,000,000 Victory Loan which closed October 4, 1944.

Financing under the Lend-Lease Act in 1944–45 is estimated at £NZ25,000,000, and Reverse Lend-Lease at £NZ24,000,000. Actual figures for the preceding year were: Lend-Lease, £NZ32,478,235 and Reverse Lend-Lease, £NZ24,453,539.

The estimate of the expenditure on the Army is £NZ57,000,000, which is about £NZ21,000,000 less than the actual figure for this item in 1943–44. The amount estimated for the Air Force is £NZ35,500,000, an increase of about £NZ1,750,000 over the actual expenditure during the preceding fiscal year. The estimate of £NZ7,500,000 for the Navy represents a slight reduction from the actual figure

for the preceding year. The amount estimated for rehabilitation is £NZ2,000,000, whereas in 1943–44, only £NZ544,313 was actually spent for this item.

Mutual Aid Agreement With Canada

The Minister of Finance, in discussing the Mutual Aid Agreement signed by Canada and New Zealand on June 30, 1944, said that the scope of reciprocal aid had been extended through the Agreement and that under it, Canada would provide New Zealand with such war supplies as may be authorized from time to time. For its part, New Zealand has agreed to provide Canada with such articles, services, facilities, or information as it may be in a position to supply from time to time, to be determined by common agreement in the light of the development of the war.

It was announced that New Zealand would pay cash for its requirements up to an amount approximately equal to the proceeds of its exports to Canada, and that the balance of the Dominion's requirements from Canada would be a charge against a Canadian Mutual Aid appropriation set aside for the purpose. However, it has been reported that Canadian-New Zealand Mutual Aid will not become a part of the 1944–45 budget of the Government of New Zealand.

Electric Power

The Minister of Works, summarizing electric-power construction, stated that generating capacity had increased 37 percent since 1939. He added that it is expected that delivery of two 21,600-kilowatt units for Arapuni will be made in time to commence operations before March 1945.

Work is now under way on five new electric power stations in New Zealand and in addition to the Arapuni station it is expected that a 25,000-kilowatt plant near Methven in the South Island will be ready for operation within the next few months. It was also reported that a definite program of expansion at the rate of 40,000 kilowatts per year would be pursued after the war.

Gas Shortage

The city gas supplies of both Wellington and Auckland were restricted several times during the months of July, August, and September, because of a shortage of coal. Rough weather at both Greymouth and Westport (coaling ports on the west coast of the South Island, which is the only source of supply for gas coal) prevented ships from leaving the harbors, and at one time the coal stocks at Auckland were exhausted. To meet the situation, pressure was greatly reduced during the night and was only available at certain hours during the day. The supply for industrial users was shut off at 7 p. m. There has been no coal available for residential heating in Wellington since the middle of September.

Lumber Industry

According to the press, the Government is planning to erect a sawmill at Reporoa near the State forest in the Rotorua district at a cost of approximately £NZ530,000. It is expected that this mill will produce at least 19,000,000 board feet during 1945.

It is planned that in the initial stages the mill will mainly be utilized for the provision of boxing timber for Allied war material. Later, it will produce framing timbers for State houses and will also yield substantial quantities of raw materials in the form of prepared pulpwood for the inauguration of a national pulp and paper program which the Government envisages for after the war.

Logs will be obtained immediately from 50,000 acres of forest in this vicinity. An additional 300,000 acres of forest is coming to maturity in this area and will be used for future supply.

The Commissioner of State Forests has predicted a substantial expansion in the New Zealand sawmilling industry in the near future. Reviewing recent production figures, he stated that the output for the year ended March 31, 1944, was not less than 320,000,000 board feet. The peak output was reached between March and May 1943, but shortage of labor has caused a slight decline since that time. The recent direction of more than 600 men from the armed forces in the Pacific and from other sources to the sawmilling industry is expected to overcome the labor shortage. Because of shipping difficulties, it has not been possible to transport the normal surplus of 30,000,000 board feet annually produced in the South Island to the North Island, and the Minister stated that it is planned to have building artisans return to the South Island in order that construction in that area may be increased and immediate use made of some of this surplus.

It was also reported that increased manpower and the opening of new timber areas in the North Island were expected to increase annual production by 14,000,000 board feet. The present rate of cutting in the North Island of 120,000,000 board feet is expected to be increased to 170,000,000 board feet by the end of 1945 and to 190,000,000 board feet by the end of 1946. As it is estimated that only 60,000,000 and 80,000,000 board feet, respectively, will be required for housing during these 2 years, it is expected that there will be ample supplies for other essential construction.

Food Processing

The Internal Marketing Division has installed two American-made quick-freezing units in their plant at Pukekohe (near Auckland) which will process approximately 100 tons of fresh vegetables monthly for the use of the American forces in the Pacific area. None of these products will be available for the local market.

Such vegetables as peas, beans, cauliflower, and spinach, will be processed. This is the first use of this method of food processing in New Zealand and it was stated that the experience gained in this plant might lead to New Zealand utilizing the method.

It is reported in the press that the dehydration plant which was established at Feilding in 1942 at the request of the British Government is to be closed. The plant has a capacity of 5,000 tons a year, and during its operation has fully met the oversea requirements.

Iron and Steel Industry

A small sum has been provided by the House of Representatives for the iron and steel industry account and the Minister of Industries and Commerce announced that he would use his influence to get an iron and steel industry established in New Zealand. He stated that as the ore deposits which an English firm believed to exist at Onekaka proved to be less than expected, it was not believed that it would continue with an agreement in regard to this development. He thought that it was possible to establish an industry which would last for 40

Thirteen Thousand Men at Work Constructing Brazilian Rail Link

Interest in Brazil over the $33,000,000 4-year (1944–47) program for completing the first longitudinal railway link between northern and southern Brazil is comparable to that in the United States when the first transcontinental railroad was completed with the driving of a golden spike on May 10, 1869, at Ogden, Utah.

According to reports received by the Department of Transportation, Office of the Coordinator of Inter-American Affairs, there are currently 10,000 men working northward on the 338-mile gap between Montes Claros and Contendas and 3,000 men southward to meet them. This is 1 of the 2 missing gaps needed to be closed to connect Rio de Janeiro with Natal in the north.

The Central do Brasil Railway, which is in charge of construction on the 149-mile stretch between Montes Claros and Monte Azul, already has trains in operation 38 miles north of Montes Claros to Burarama and has announced early inauguration of service on the 45-mile section north of Burarama to the Janauba Station.

The National Railway Department, which is in charge of rail construction on the 187-mile section between Contendas and Monte Azul, has trains in operation 20 miles south of Contendas to Umburanas and expects to establish service soon 8 miles further south to the Brumado Station.

Thus, the original gap of 336 miles (542 kilometers) will soon be reduced to 225 miles (362 kilometers).

years because there has been an advance in technical knowledge which enables up to 30 percent of iron sand to be used with the Onekaka ore.

Linen-Flax Industry

The Minister of Industries and Commerce announced that on August 2 a cable was received from the New Zealand High Commissioner in London stating that the Ministry of Supply was very grateful for the invaluable help in supplying linen flax during the critical period and is now reluctant to take any action detrimental to New Zealand's interests. However, on the proposal to pay increased prices for flax straw, they would prefer not to agree to pay any increase for the crop to be sown this autumn, in view of the improvement in the position of supplies of flax for essential purposes and the high prices already being paid. In view of the apparent decreased demand, the Minister of Industries and Commerce stated that it probably would be necessary to close some of the factories and place others on a more efficient operating basis. He stated that the wartime linen-flax industry had not been profitable overseas, and that New Zealand's own losses for the years 1942, 1943, and 1944 totaled £NZ344,000.

The linen-flax section of the Department of Industries and Commerce is completing experiments with changes in manufacturing equipment and methods and it is expected that the introduction of certain improvements will reduce manufacturing costs. The Department has given attention to the improvement of the quality of the flax and made a study of the most suitable types of land for growing. It is also giving attention to the most economical utilization of flax byproducts for various industrial purposes.

Ten-Year Construction Plan

A 10-year plan for all State constructional activity is being prepared, according to a statement by the Minister of Works and Railways. The aim is to plan ahead all future jobs to be undertaken by the Ministry of Works, which will include railways, public buildings, State housing, hydroelectric development, river erosion, irrigation, road construction, and land improvements.

Each project will be carefully examined and the full facts in connection with its economic value will be submitted to the Ministry to avoid ill-considered projects or rushed jobs.

Post-War Tourist Traffic

There has been considerable press comment on the possibility of increasing New Zealand's tourist traffic after the war, and the Government has appointed, under the Organization for National Development, a Tourist Development Committee. It will prepare plans to increase tourist traffic.

Demobilization

At the end of July, a total of 49,172 men and women had been demobilized from the three branches of the New Zealand armed forces. This total was made up of 26,475 men and 265 women returned from overseas and 21,815 men and 617 women who had served in New Zealand.

The Rehabilitation Department had placed 742 of this total with their pre-war employers; 12,632 had found positions with their pre-war employers without assistance from the Department; 10,381 had obtained positions with other private employers, while 6,395 had been placed without subsidy in State employment and 550 had obtained employment with the State without the aid of the Department.

Full-time training is being taken by 1,180 ex-servicemen; 2,375 have returned to their own businesses or farms, and 1,508 have acquired their own businesses or farms.

Official OWI Photo

Panama

Economic Conditions

The peak of the defense construction activities having passed, commerce in Panama is becoming more nearly normal. The general economic prosperity of the Republic is being largely maintained by an unprecedented increase in building construction, both private and governmental. Total permits for private construction in Panama City for the 3 months, June–August, exceeded $1,500,000. The appropriation for public works approved by decree during the same period totaled approximately $3,000,000, of which $1,400,000 was for buildings and $860,000 for road building and maintenance.

The Government has approved a plan to build 400 schools in the capital and interior villages at an estimated cost of $3,000,000. The first model tenement building in Panama City financed by the Social Security Fund, has just been completed at a cost of $142,000, and the second is nearing completion. This construction work is to be taken over by the Bank of Urbanization.

Two Companies Organized

Two new companies of importance were organized during September. The Aserrado Nacional was incorporated with an authorized capital of $150,000 for the purpose of dealing in Panamanian woods, also conducting a general lumber business, including importation, exportation, and sawmill operations. The Fábrica Nacional de Fósforos was organized with Panamanian capital to manufacture safety matches, initial production amounting to 100 gross boxes daily. The output may be increased to 500 boxes as demand warrants. Five new electric-plant installations in interior cities and some additions and improvements in existing plants were being planned by the Ministry of Health and Public Works.

Air Line Developments

The principal development in transportation was the chartering under Panamanian law of the TACA air line (Transportes Aereos Centro-Americanos) which was granted a first-class license. The formation of the Compañia Panameña de Aviación for transportation between Panama City and interior points continued in the project stage. It has been proposed that 40 percent of its shares be subscribed by Pan American Airways, 20 percent by the Panamanian Government, and 40 percent offered to the Panamanian investors.

Agricultural Activity

The recently completed agricultural census of the Penonome district by the Statistical Department of the Controller's Office revealed that of the 33,295 hectares of land surveyed, 13,682 were uncultivated, 10,541 were devoted to cattle raising, and 9,072 to food production. Eighty-eight percent was Government-owned and farmed by peasants with no title to or ownership in the lands. This census of a typical agricultural area of Panama is expected to be used as a model for the complete agricultural census being organized.

The production of bananas in the Province of Chiriqui improved during the third quarter of 1944, but exports by the principal producer during the remainder of the year were expected to fall substantially below the former monthly estimates of 250,000 stems, as a result of inadequate shipping space. A record rice crop this year is expected to relieve a disturbing shortage.

The Banco Agro-Pecuario has been taking increasing control of the distribution of food products, and was expected to expand its activities in controlling the production and distribution of essential agricultural and animal products. The total value of products imported and distributed by the bank in August 1944 amounted to $183,900 and comprised principally rice, potatoes, coffee, and sugar. Following the authorization by the Ministry of Finance for the importation of 500 tons of tallow, the Banco Agro-Pecuario has undertaken to purchase all nationally produced tallow, in order to guarantee a fair price to domestic producers.

Foreign Trade Declines

Total imports into Panama for the first 8 months of 1944 were lower than for the corresponding period in 1943, reflecting a reduced buying power, as a result of decreased population in the Canal Zone—a prime factor affecting Panama City sales—and limitations on shipments of strategic commodities from the United States. Increasing quantities of such products as butter, eggs, rice, sugar, coffee, and leather were imported from the South and Central American republics.

Total imports during the 3-month period, June–August, had a value of $9,673,276, compared with $10,028,161 for the corresponding period of 1943. Exports were valued at $804,663 and $569,980, respectively. Exports of rubber, abacá, and cocoa were well ahead of 1943 and the principal shipper of abacá expected to attain a total of 750,000 pounds monthly for the remainder of the year.

Financial Conditions

The budget for the 2-year period ending December 31, 1944, for all Government departments, plus additional grants, amounted to $45,820,261.88, and Government expenditures for the first 20 months of the period totaled $38,800,000, leaving a credit balance of slightly more than $7,000,000 for the remaining 4 months. Government receipts for the first 18 months of the biennium were approximately $40,900,000, or about 43 per cent above the expected revenue. Total Government income for the 3-month period June–August 1944 was $6,900,000, as compared with $6,931,700 for the like period of 1943. Expenses were approximately $7,100,000 and $6,700,000, respectively.

Banks in Panama City reported that local commercial credits were being liquidated promptly and that collections on discounted foreign paper were satisfactory. Bank deposits of private individuals at the end of June 1944 were $57,485,000, as compared with $44,816,000 on June 30, 1943 and $25,187,000 on June 30, 1942. The assets in the National Savings Bank (Caja de Ahorros) on June 30, 1944, amounted to $9,905,000, as compared with $7,973,000 on June 30, 1943. Savings accounts totaled $9,515,000, as against $7,596,000. The public debt of the Republic decreased to $18,401,000 on June 30, 1944, from $21,160,000 on December 31, 1942.

The cost-of-living index was 109.3 on September 15, 1944, in comparison with 100 in August 1942 and 107.1 on September 15, 1943.

Portuguese Colonies

Commercial Laws Digests

Establishment of Cotton Textile Factories Authorized.—The Portuguese Government has authorized the establishment of factories for spinning and weaving cotton textiles in the colonies, by decree law no. 33,924, published in the Diario do Governo, Lisbon, of September 5, 1944, and effective immediately.

Each factory is to be individually approved by a permit issued by the Minister of Colonies and published in the Official Gazette.

Article 2 of the decree provides that generally the maximum annual production capacity of the factories authorized in each colony shall not exceed the difference, in weight, between the average of total imports of cotton textiles into the respective colony during the 3 years prior to 1939 and a like average of imports, increased by 20 percent, received from Portugal. This production capacity may be increased only if the excess is intended for export to foreign countries, or to other colonies in which no factories have been established.

Firms establishing factories in the colonies are granted exemption from import duties for machinery, equipment, accessories, separate parts, and building materials necessary for the operation or construction of the factories. The enterprise is likewise to be exempted from various property taxes for a period of 10 years.

According to article 8, the colony in which factories are established shall guarantee to furnish the necessary raw cotton, up to the maximum amount authorized for manufacture, on the basis of the sales price of cotton in Portugal, exclusive of fees collected by corporative or similar organizations, so that cotton producers in the colony may receive the same amount they would receive for exports to Portugal.

The Governor of each colony may designate certain producers who are to supply factories located near them.

[Although no colonies are specifically mentioned, it is assumed that this decree will apply principally in Angola and Mozambique, both of which are producers of cotton.]

Rumania

Transport and Communications

Railway Construction.—Considerable work has been done on the railways of Rumania during the war years, states the European press. A total of 165 railway bridges and 35 tunnels were opened for traffic in 1944. In 1943, 23 new locomotive workshops were established, as well as new storage rooms, grain elevators, and repair workshops. During the period 1940 to 1943, Rumania built 112 stations, including the shunting stations at Giurgiu, Brasjov, and Ploesti.

Rumania had a total of 7,021 miles of railways in 1937, this same source reports, and in the years 1940 to 1943, 139 miles were constructed.

Saudi Arabia

Economic Conditions

Aside from engaging in handicrafts, the products of which are inadequate and of varying quality, the Saudi Arabians do no manufacturing.

The only metal-mining activity in Saudi Arabia is at Mahad al Dahab, 248 miles northeast of Jidda. Work at the mine commenced in 1936. The Saudi Arabian Government and a few of its nationals own 25 percent of the stock; the greater part is owned by British and American stockholders. The Saudi Government receives cash royalties amounting to 10 percent of the total value of metals produced.

During the 3 months, June-August, the mine was completely shut down as a result of lack of equipment. Partial production is contemplated next February, but full production is not expected until the end of the war. During full-capacity mining, the company employs between 600 and 800 Saudi Arabians and from 25 to 35 Americans and Europeans. At present there are 220 natives employed for maintenance of machinery and property.

Wage scales vary between 1 riyal daily for unskilled labor and from 7 to 8 riyals for semiskilled native mechanics. (The riyal nomially equals $0.20 U. S. currency, but the actual value varies.)

Gold extracted per ton of ore varies between one-half to 1 troy ounce.

The first oil concession in Saudi Arabia was given to an American company in 1933. The concession covered 160,000 square miles and in a supplementary agreement an additional 89,000 square miles was added. The center of production is at Dhahran opposite the Island of Bahrein in the Persian Gulf where a refining and cracking plant has been built.

Production of crude oil at Dhahran during the 3-month period was maintained at 15,000 barrels daily and refined gasoline at the rate of 700 barrels. Not much refining is done at Dhahran at present, though facilities do exist for greater production.

The company had in its employ during the period under review about 4,000 Arabs and an average of 350 Americans. Daily wages paid to unskilled labor averaged between 1.3 riyals and 2.11 riyals, and to skilled Arab labor, between 2.11 and 12 riyals.

The oil produced during the last quarter (Mohammedan calendar) was shipped to Bahrein for refining. During the same period 879,000 gallons of gasoline

(Continued on p. 43)

News by COMMODITIES

Beverages

Wine Exports From Argentina

Practically all the wine consumed in Argentina is produced in that country, according to the foreign press. The principal wine-growing regions are in the Provinces of Mendoza and San Juan and the national territories of Rio Negro and Neuquen.

Per capita consumption of wine in Argentina is estimated at 55 liters (1 liter= 1.0567 quarts) annually.

In 1943 Argentina exported 1,762,084 liters of wine, valued at 2,834,193 pesos. Of this total, bottled wines comprised 824,634 liters, valued at 2,309,409 pesos, and wine in casks 937,450 liters, valued at 524,784 pesos. In addition, large amounts of champagne, vermouth, and other types of fancy wines were exported.

In the first 3 months of 1944 exports were as follows: Bottled wines, 34,674 dozen bottles, valued at 1,012,000 pesos; wine in casks, 233,212 liters, valued at 134,718 pesos; vermouth and other aperitifs, 79,254 dozen bottles, valued at 1,660,632 pesos; and 97,273 dozen bottles of liquers and other alcoholic beverages, valued at 3,628,191 pesos.

Production, Turkey

In the third quarter of 1944 an effort was made to increase the production of beer, wine, and alcoholic beverages in Turkey. New wineries were opened at various locations by the Ministry of Customs and Monopolies during the third quarter of 1944.

The Minister of Customs and Monopolies anticipated that wine-bottling establishments would be created in all important grape-producing areas and wine production in 1944 is expected to total 6,000,000 liters.

The Minister also stated that new undertakings for beer production would require an expenditure of some T£14,000,000 (approximately $10,800,000 in U. S. currency). The brewery at Ankara is expected to increase its productive capacity.

Additional funds have been earmarked for the production of raki, a Turkish national drink.

Chemicals

Tartaric-Acid Production, Argentina

Argentina's production of tartaric acid has been sufficient since 1937 to supply domestic consumption and provide a surplus for export to Central and South America, as well as to Canada, New Zealand, and South Africa, says the foreign press.

A factory was established in 1937 for the manufacture of this product, and the country's expanding wine industry has provided a ready source of raw materials. In 1937, imports of tartaric acid were valued at 3,500,000 pesos, but dropped to 9,000 pesos in 1940.

The domestic processing of the lees has been a favorable development for the wine industry. Before 1937 about 4,000 tons of wine lees were exported annually and reimported in the form of tartaric acid—approximately 1,300 tons. The export price for the lees was 40 pesos per ton, while the price for tartaric acid was 400 pesos per ton.

Sodium-Hypochlorite Production Curtailed, Argentina

Domestic production of sodium hypochlorite in Argentina, which normally amounts to 1,600 tons monthly, has been seriously curtailed by the shortage of graphite electrodes. As a result, calcium hypochlorite has had to be imported as a substitute.

Attempts to supply electrodes by domestic manufacture have not been successful.

Chilean Sulfur Industry

Numerous sulfur deposits are believed to exist in Chile, but their exploitation has been difficult because of their location, climatic conditions, and the lack of modern techniques.

Because of the abnormal wartime situation, the demand for Chilean sulfur has been increasing despite unfavorable conditions of exploitation. The Fomento Corporation has extended assistance to the industry.

Consideration is already being given to a possible post-war market for Chilean sulfur, and study is being made of methods to improve production and to reduce costs, since it is expected that difficult competitive conditions will be encountered.

Industrial Chemicals in Short Supply, Belgium

Certain industrial chemicals are in extremely short supply in Belgium, says a European chemical magazine.

Output of sulfuric acid declined to 10 percent of the pre-war level, resulting in an acute shortage of this material. Supplies of bicarbonate of soda are also low.

Imports Into Haiti

Imports into Haiti of chemical and pharmaceutical products decreased 42 percent in volume during the 9 months ended June 30, 1944, compared with the corresponding months of the preceding fiscal year, says the foreign press. An increase of 22 percent was recorded for paints.

Pyrethrum Deliveries, Kenya

Deliveries of pyrethrum in Kenya were good at the beginning of the September quarter, and as a result of plentiful rainfall showed marked increases during the latter part of the quarter. Increases were also substantial compared with the corresponding period in 1943.

Plastics Industry, New Zealand

The National Institute of Plastics, recently organized in New Zealand, was scheduled to hold its first conference before the close of 1944, says the foreign press. In addition to promoting the general development of the industry, the Institute will carry on educational work regarding present and future possibilities of plastics.

Plastic materials used in domestic manufacture have been imported from Australia and consist of molding powder and casein sheets for making buttons and similar products. Although the industry has been in operation for several years and has produced a variety of small items, no attempt has been made to use advanced techniques or a wide range of materials.

Phosphate Deposits Investigated in Peru

Phosphate deposits in the Department of Ica, Peru, are being investigated by the Geological Institute as a potential source of fertilizer for the sierra agricultural region.

When a local yeast factory was confronted with a shortage of phosphoric acid in 1943 as a result of wartime shipping difficulties, a pebble phosphate deposit near the city of Ica was investigated as a possible source of phosphoric acid. The sampling indicated that this deposit was not of high grade.

Substitute for Balsa Found in Central America

From Panama has come a sample shipment of quipo wood, also called "bongo," which the Forest Service of the U. S. Department of Agriculture believes may be used interchangeably with balsa. The lightness of balsa has made it highly important as core material in "sandwich" construction of plywood for aircraft and other war uses. The quipo wood does not have the silky luster of balsa, but it is as light, and its specific gravity is more uniform than is the rule with balsa. This would be an advantage where material with uniform weight and strength is required.

The quipo tree, the botanical name of which is *Cavanillesia plantifolia*, is found principally in Central America. The tree grows more slowly than balsa, not coming to useful size until it is about 30 years old, while balsa grows quickly and is used after 4 to 6 years.

Pitch Production, Spain

Coal-tar pitch is used in Spain principally for the manufacture of briquettes, particularly for the railways. About 80,000 tons of pitch are required annually for this purpose by the railroads.

Domestic production amounts to approximately 20,000 tons annually, leaving 60,000 to be supplied by imports, of which the United Kingdom is expected to furnish 40,000 tons.

Some pitch was shipped to Spain from the United States early in 1944.

Tar-Products Industry, U. K.

The United Kingdom tar-products industry showed considerable activity during the third quarter of 1944, according to the British press. Domestic demand was heavy, but practically all material went to priority users.

In the export market, the demand was principally for tar acids, creosote, and naphthalene. Although the shipping situation has been difficult because of the shortage of space and containers, conditions have improved. However, substantial quantities of tar acids are awaiting shipment.

Synthetic-Resin Exports, U. K.

Exports of synthetic resins of British manufacture declined from 53,342 hundredweight in 1942 to 38,045 in 1943, according to statistics released by the Board of Trade.

These totals represent reductions of 25 and 45 percent, respectively, from the pre-war figure of 71,238 hundredweight in 1938.

Coal

Canadian Exports

Canadian coal exports in September, valued at $623,000 (Canadian currency), brought the total value for the first 9 months of 1944 to $4,700,000, official statistics show. This represents a considerable increase over the value of coal exports in the period January to September 1943 ($3,873,000).

Exports From U. K.

Exports of coal from the United Kingdom have decreased in value from £38,259,000 in 1939 to £25,307,000 in 1940, £7,989,000 in 1941, £6,041,000 in 1942, and £5,928,000 in 1943, according to a foreign press report.

Construction

Highway Construction in Honduras

Work has been progressing steadily on the Honduran section of the Inter-American Highway, including the completion of the last steel bridge. As yet this highway has had little effect upon the economy of the country, partly because of the lack of tires and gasoline, and partly because of the condition of the South-Coast Highway which connects Tegucigalpa with the international road.

The 35-mile highway between Potrerillos and Pito Solo was completed during September 1944. A section of this road borders Lake Yojoa on the important route between the North Coast and the capital.

Istle Imports From Mexico

The War Production Board announced December 11 that consideration is now being given to applications on Form WPB–1041 for permits under General Imports Order M–63 to purchase and import, from Mexico, Palma or Pita istle twine, dressed and cut Palma or Pita istle for brushes, and other miscellaneous products made from Palma or Pita istle fiber.

All such permits will be limited to a 90-day period during which time shipment as well as purchase must be made, WPB said. Applicants are therefore requested to limit their applications to such quantities as the importers know that the mills can supply during the allotted period.

Housing Project, Kenya

Construction activity in British East Africa at the present time, because of labor and materials shortages, is devoted principally to the building of small stone houses for native inhabitants. The largest project is one undertaken by the Kenya government to provide accommodations for 3,200. The per capita cost of these houses is approximately £62.

Building-Research Company Organized, Sweden

A building-research company has been organized in Sweden to conduct research and experiments with a view to effecting reductions in building costs, particularly of small houses. The desire to provide workers with modern, efficient, and economic residences is the motivating purpose of the organization.

Electrical Machinery and Equipment

Power Expansion, U. S. S. R.

Electric power expansion in Soviet Russia includes a 100,000-kilowatt turbine generator which is to be an outstanding unit of the Chelyabinsk central plant for heat and power, states the Soviet press.

The reconstruction of the Marty power station at Odessa is reported, and the reconstructed Gizeldon hydroelectric power station in the North Caucasus is said to be operating at pre-war capacity. Reconstruction of the Dniepèr hydroelectric station has begun.

The Kharkov plant producing turbogenerators, reportedly has equipped the Zuevka, Dneprodzerzhinsk, and other power stations with large turbines. This plant is credited with supplying Soviet battleships with turbines, as well as furnishing 75 percent of turbines for destroyers. Production of turbines with 25,000-kilowatt capacity and higher was planned when the plant was rebuilt. A turbine being designed is reported to have a thermification capacity of 25,000 kilowatts and a condensation capacity of between 50,000 and 100,000 kilowatts.

The press also reports that turbine generator No. 3 of the Petropavlovsk Heat and Power Station in Kazakhstan has begun operation.

Essential Oils

Exports From Ceylon

Both the quantity and value of citronella-oil exports from Ceylon were higher during the first 9 months of 1944 than in the corresponding period in 1943. Demand tended to slacken slightly during the third quarter.

During the first 9 months of 1944, as compared with the corresponding period of 1943, the quantity of cinnamon-leaf-oil exports declined, but the value increased, reflecting the rise in prices. The volume of cinnamon-bark-oil exports, which have always been rather small, doubled, and the value trebled.

Shipments From Reunion

Exports of essential oils from Reunion during the third quarter of 1944 were as follows: Vetiver, 10,789 kilograms, valued at 7,667,813 francs; geranium, 19,582 kilograms, valued at 6,569,034 francs; and ylang-ylang, 662 kilograms, 314,590 francs.

Foodstuffs and Allied Products

Coffee, Tea, and Cocoa

Coffee Situation, Ecuador

The Ecuadoran coffee situation improved in October, and coffee receipts were on the same scale as in the preceding month. However, the most important event during the month, in the opinion of Ecuadoran growers and exporters of coffee, was the increase in prices on the United States market.

The bulk of Ecuadoran coffee continued to be exported to the United States, although small quantities were exported to Chile and Panama. Exports of coffee from Guayaquil and Manta in October, 1944 totaled 41,244 bags of 60 kilograms each (1 kilogram=2.2046 pounds) according to an unofficial source.

Ecuadoran Cocoa Crop

The 1944 Ecuadoran cocoa crop is estimated to be between 20 and 25 percent less than the 393,399 quintals (1 Spanish quintal=101.4 pounds each) produced in 1943.

Early in 1944 it was predicted that the cocoa harvest would be about 50 percent under the 1943 crop which was one of the best in recent years. Since June, however, the estimate has been revised upward each month.

Actually, the 1944 harvest will be a normal one.

Ecuadoran cocoa exports in October 1944 amounted to 1,483,362 kilograms (1 kilogram=2.2046 pounds) valued at

$314,697, according to an unofficial source, or about 26 percent above October 1943 exports.

Cocoa receipts at the port of Guayaquil in October 1944 totaled 17,585 quintals, as compared with 22,159 quintals in October 1943.

During the first 10 months of 1944 deliveries of cocoa to Guayaquil amounted to 251,778 quintals, a decrease of 27.8 percent as compared with the 348,868 quintals in the corresponding period of 1943.

Nyasaland Tea Industry

Tea is the second-most-important agricultural product of Nyasaland. Plantings are concentrated in certain regions of the Mlanje and Cholo districts.

In 1938 the tea acreage was estimated at 17,700 acres, and the industry represented an investment of £1,250,000, or roughly $6,000,000. A representative of the Tea Market Expansion Bureau estimates present plantings at 20,000 acres, which indicates that the investment has materially increased since 1938 and will increase further with the cultivation of 4,040 additional acres recently allotted by the International Tea Committee.

The Nyasaland tea industry is organized in an incorporated body named the Nyasaland Tea Association. The Association concerns itself chiefly with issues arising from the restriction scheme and with propaganda for expanding the consumption of tea in Africa.

Approximately 20 factories in the Nyasaland Protectorate process tea for export.

Dairy Products

Butter and Cheese Production in Eire

Production of creamery butter in Eire in the first 10 months of 1944 amounted to 60,290,618 pounds.

The quantity of butter held on October 31, 1944, in all public cold-storage plants in Eire and at the premises of manufacturers of creamery and factory butter and principal merchants is shown in the following table compiled by the Irish Department of Agriculture. The figures do not include day-to-day stocks in the hands of shopkeepers.

Place held	Creamery butter	Factory and other butter
	Pounds	*Pounds*
In public storage:		
For creamery proprietors	6,655,488	
For other persons	12,411,504	1,287,216
At creameries	5,552,848	
At merchant's premises and butter factories	425,376	157,248
Total	25,045,216	1,444,464

In the first 9 months of 1944 production of colored cheese totaled 2,616,717 pounds and white cheese 95,051 pounds.

There was a total of 843,887 pounds of colored cheese and 21,221 pounds of white cheese on hand at the creameries of Eire on September 30, 1944, compared with 793,014 pounds of colored cheese and 27,394 pounds of white cheese at the end of the preceding month.

Using Last-War Footwear

Shoes manufactured during World War I are finding ready sale today in Melbourne, Australia, states a foreign leather journal.

The footwear shortage in that locality is such that these old-timers are commanding the same coupon value as present-day footwear and are being purchased by Australian women who find them handy for household wear.

The weekly butter ration in Eire was increased from 6 to 8 ounces per person beginnihg November 4, 1944.

Butter and Cheese Stocks, South Africa

Production of butter in the Union of South Africa in the 6-month period April through September totaled 12,341,907 pounds, a drop of about 19 percent as compared with the 15,264,831 pounds produced in the corresponding period of 1943.

At the end of September 1944 the total amount of butter on hand in the creameries and in cold storage was only 962,018 pounds, which was 640,368 pounds less than at the end of September 1943. Included in the September 1944 total were 148,478 pounds of butter from neighboring territories, 17,658 pounds from overseas, and approximately 4,000 pounds of farm butter.

Total cheese stocks in September 1944, as reported in the Union press, amounted to 1,863,579 pounds, a decrease of 85,000 pounds compared with September 1943.

Fish and Products

Chile's Plan to Increase Fish Production

The Department of Fishing and Hunting in Chile has developed a 5-year plan to increase the production and consumption of fish in Chile.

The plan calls for increasing the annual production of fish from a present average of 25,000 tons to 55,000 tons.

The Government has earmarked 7,125,000 pesos for use this year in projects being developed under the fishery plan, and a total of 65,000,000 pesos is to be contributed by the Government during the next 5 years to develop the industry.

Fruits and Vegetables

Argentine Potato Crop

The 1943–44 potato crop of Argentina is estimated by the Ministry of Agriculture at 1,421,000 tons, of which 81.3 percent, or 1,154,780 tons, are of commercial quality, according to the foreign press.

The average yield of potatoes in Argentina in the 5-year period from 1939–40 to 1943–44 has been 1,089,586 tons.

Manioc Industry, Brazil

Mandioca flourishes in Brazil, large quantities being produced in each State. After the Brazilian Government decreed in 1938 that the national flour should contain 30 percent manioc flour and 70 percent wheat flour, the manioc industry expanded.

From 1938 until 1943, export markets for manioc were of secondary importance, as the greater part of the production went into flour.

In January 1944 the use of manioc flour in Brazilian flour was officially abandoned because of an agreement made with the Argentine Government to increase the use of Argentine wheat in Brazil.

An editorial in Rio de Janeiro's Jornal do Commercio summarizes recent trends in production of manioc and the problems which must be met if Brazil is to compete in post-war export markets. Pointing out that the production of Brazilian manioc rose from 4,946,850 tons in 1936 to 7,641,620 tons in 1940, the editorial suggests that it is necessary for Brazil to do everything possible to make good-quality manioc products available for export markets. In typical pre-war years the major foreign buyers were Great Britain, Portugal, Belgium, Luxemburg, Argentina, the United States and Norway. Of these only the United States remains as a good prospective customer.

Grapefruit Exports From Cuba

Exports of Isle of Pines grapefruit during the 1944 season totaled 57,537 crates, according to reliable sources. Of this total all but 1,000 crates which were sent to Canada were destined for the United States.

Total shipments were about 5,000 crates more than last year's small total but less than half the normal movement in pre-war years. About half the crop (approximately 8,000,000 fruit) was left on the trees at the close of the shipping season because of the lateness of the crop, the shortage of crates, and marketing conditions.

Shipments started in late August, but about 90 percent of the movement was made in September. Normally some shipments are made in October, but this year the ceiling price established in the United States for Isle of Pines grapefruit was effective only for the seasonal period of August and September. The lower ceiling price effective after October 1, in addition to the higher duty rates applicable after that date, made shipment in October unattractive.

Prospects for the 1945 crop are poor. A hurricane struck the Isle of Pines on October 18, and high winds stripped practically all the citrus trees of their leaves and knocked to the ground all the fruit remaining after the close of the export season. Growers had hoped to dispose of this part of their crop in the Habana market during the winter months. Some of the blow-downs were salvaged and large quantities were sold in Habana at 2½ to 3 cents each. Only between 2 and 3 percent of the trees were blown down, however, and by 1946 a normal or even larger crop could develop.

The Cuban Ministry of Agriculture inspector estimated the damage to citrus orchards and packing houses from the

storm at $130,000, even without taking into consideration the prospects for a poor crop in 1945. After the storm of 1926 only about 27,000 crates were exported in the following year.

Mexican Garbanzo Crop

Preliminary estimates of this season's garbanzo harvest in Mexico indicate a crop of 68,750 metric tons for the entire Republic, compared with 74,600 tons produced last season. Jalisco and Sinaloa are expected to produce slightly more than half of this total, or 19,600 and 15,000 tons, respectively.

Because of a reported shrinkage of profit margin on this vegetable as a result of increased growing costs and heavier export taxes, Sinaloa producers have shown an inclination this year to plant other crops, and it is estimated that less than 11,000 hectares will be used for garbanzo production in that State.

Grain and Products

Rice Production, Colombia

The production of rice in Colombia is becoming increasingly attractive, incentive to greater production having been provided by rising prices. Rice constitutes the basic food of all the poorer classes and is also used in one form or another by most of the well-to-do families.

Increased cultivation of rice is evident throughout the rice-producing areas of the Department of Bolivar. In the vicinity of San Onofre the soil is ideal for the purpose. The owners of large farms permit the planting of rice by individuals who receive the total income therefrom with the understanding that yerba, a cattle feed, will be planted as soon as the rice is harvested.

The seeds used are very poorly classified and cost 3 pesos per 12 kilograms, and 18 kilograms of seed are planted per hectare. Approximately 20 classes of rice are being planted in the San Onofre region, the majority of it of the highland variety. During the past 5 years the price of rice in paddy has increased from approximately 5 centavos per kilogram to the present price of 18 centavos, depending on the quality, classification, and other factors.

It is estimated that the farmer consumes one-third of his crop, sells another third to the Arrocera Central, which owns the one mill in the region, located at Berrugas, and sells the remainder in the local market. Production could, it is believed, be doubled by the use of new equipment and several large landowners are interested in purchasing such equipment. The increase could be handled by the mill at Berrugas.

A probable yield of 8,000,000 kilograms of rice in paddy is indicated for this year for the municipality of San Onofre. This is an increase of approximately 1,000,000 kilograms over the amount harvested in 1943.

Rice Situation, Egypt

The Egyptian Government has been authorized by military proclamation to buy by requisition part of the 1944 rice crop. The Government announced that it will requisition 250,000 daribas of rice (of 945 kilograms each) at £E16 per dariba, and that it will purchase any additional rice offered at the same price. The purpose of this action by the Government is to assure equal distribution of rice throughout the year.

In 1943 the rice purchased on requisition totaled 150,000 daribas at £E15 per dariba. In 1943 rice production totaled 725,000 daribas from an area of 642,121 feddans (1 feddan=1.038 acres). The 1944 production is estimated at about the same figure.

Crop Prospects, Finland

Grain-crop prospects in Finland in mid-August were not as good as those of a year ago. Although weather conditions were unusually favorable, there was a lack of labor and fertilizers, and there was considerable soil erosion. On the whole, wheat was only an average crop. Fodder, however, was above normal.

Wheat Crop, Southern Rhodesia

The 1944 winter wheat crop in Southern Rhodesia is estimated at 62,000 bags of 200 pounds each, compared with 38,484 in 1942 and 56,651 in 1943. It is expected that the yield from irrigated lands will average 5.9 bags per acre, while that from nonirrigated lands will average 2.5 bags per acre. Estimated area under cultivation in winter wheat is 18,276 acres, 5,167 acres being irrigated and 13,109 nonirrigated land.

The most important wheat-producing districts in Southern Rhodesia are Charter and Salisbury, followed by Chilimanzie Gutu, and Mazoe. A larger proportion of the wheat crop is grown on nonirrigated lands in Charter, Chilimanzi, Gutu and Salisbury, while the districts of Mazoe, Victoria-Ndanga, Melsetter, and Umtali favor irrigation.

Hard-Wheat Shortage, Switzerland

Because of the shortage of hard wheat in Switzerland, the Federal Food Office has decreed that, until imports improve, macaroni and all other alimentary pastes must be made of 50 percent hard wheat and 50 percent soft wheat, instead of 75 and 25 percent, respectively, as heretofore, according to the foreign press.

Spices and Related Products

Clove Situation, Zanzibar

The Zanzibar Clove Growers' Association Market Review for the second quarter of 1944 stated that the coming clove harvest in Zanzibar is not likely to be large, and that in all probability stocks will not become unmanageable in the next.

During the quarter April 1 to June 30, 1944, supplies amounted to approximately 2,000 short tons. For the seasonal year July 1943 to June 1944, supplies amounted to approximately 18,000 short tons and exports to 6,500 tons.

Clove-oil production was said to be insufficient to meet current demands.

Sugars and Products

Honey Production, Prairie Provinces, Canada

Manitoba and Alberta are the only two Provinces of Canada where honey yields per colony were higher this year than in 1943. According to preliminary estimates issued by the Dominion Bureau of Statistics, honey production in the Prairie Provinces in 1944 was 35.4 percent over 1943 despite the fact that for Canada as a whole production in 1944 was 36,215,800 pounds, compared with 39,492,100 pounds in 1943.

Preliminary figures on honey production in the Prairie Provinces are as follows:

Province	1943	1944
	Pounds	*Pounds*
Manitoba	4,503,000	5,500,000
Saskatchewan	5,364,600	7,000,000
Alberta	3,800,000	6,000,000
Total	13,667,600	18,500,000

Sugar Production, Colombia

Production of sugar in Colombia in 1944 has been retarded to some degree by difficulties in obtaining equipment and repair parts for some of the factories and by the inability of one large mill to obtain cane cars.

The output of 17 outstanding sugar producers in the second quarter of 1944 was 18,763,300 kilograms and in the third quarter 16,785,450 kilograms.

The only exports reported consisted of 50,000 sacks of 50 kilograms each shipped to Ecuador during the first quarter of 1944.

Imports from Peru began during the third quarter and between July and the end of September amounted to 95,038 sacks of 50 kilograms each. An additional 50,000 sacks were expected to arrive from Peru in October.

Stocks of sugar reported by the Compañía Distribuidora de Azucares at end of each of the first three quarte 1944 were as follows: March 31, 7,13

kilograms; June 30, 5,419,850 kilograms; and September 30, 5,801,000 kilograms.

"Disappearance" was 20,479,730 kilograms during the second quarter and 16,404,300 kilograms during the third quarter.

Leather and Related Products

Argentine Exports of Hides and Sheepskins

Exports of Argentine hides averaged 130,000 tons annually during the period 1940 to 1943, but from 1934 to 1939 they averaged 139,000 tons. Sheepskin exports averaged 12,200 tons and 17,700 tons annually during the same periods, respectively, according to a foreign trade publication.

Shoe Production, Honduras

The output of a large shoe factory in La Ceiba, Honduras, increased to 11,025 pairs during the 3-month period from July to September 1944. Of this amount 9,727 pairs were of the dress variety and 1,298 of the work type. It is estimated that the total for this period was twice the pre-war production but only about one-fourth of the factory capacity.

Leather Production, Jamaica, B. W. I.

The production of vegetable-tanned sole leather in Jamaica, British West Indies, is expected to total approximately 650,000 pounds in 1944, while production of leather for uppers and linings is estimated at 60,000 square feet of cattlehide leather and 6,000 square feet of calfskin leather. No estimates on the output of kid leather are available, but it is reported that a large tannery has recently tanned 2,000 goatskins per week. The total leather output of the island is required for domestic consumption.

Goatskin exports in 1943 amounted to 208,350 skins valued at £17,297, but cattle-hide exports in the same year totaled only 84 hides valued at £60. Slaughter of horned cattle in Jamaica will approximate 25,000 head in 1944, according to reliable estimates.

Jamaica's shoe-manufacturing industry has grown steadily since its beginning in 1936, and at present the three small factories produce about 65,000 pairs annually. It is probable that about the same quantity of hand-made shoes are produced.

Shoe Production, Sheepskin Exports, Iceland

Shoe production in Iceland increased to 123,200 pairs in 1943 from 111,500 pairs in 1942. Leather-bags production decreased by 6,000 pieces; 12,300 bags were manufactured in 1943 compared with 18,300 in the preceding year. In general, these items will be consumed domestically.

During the first 8 months of this year Iceland exported 506,400 green-salted sheepskins, while in the corresponding period of 1943 total exports of this type amounted to 531,500 skins. Exports of the unhaired variety of sheepskins amounted to 9,800 kilograms during the 8-month period January to August 1944, but during the corresponding period of the preceding year totaled 155,700 kilograms.

Swiss Imports From Germany

Greater quantities of German leather have been offered to the Swiss trade since Germany's loss of the Rumanian, Bulgarian, and Turkish markets. It is reported that during the past year Germany has taken advantage of Switzerland's dependence upon it for practically all leather imports by demanding excessively high prices. In an endeavor to reduce the valuation, Switzerland has placed an embargo on the importation of all leather above a certain fixed price. It is hoped that the exportation of shoes can be resumed when raw materials become less expensive.

U. K. Announces Purchase of Leather From South America

Announcement has been made by the British Ministry of Supply of the recent purchase of 1,500,000 square feet of dressed leather from South America. It is expected that supplies of upper leather will be considerably enlarged as a result of the purchase, according to the foreign trade press.

Increased Output of Children's Shoes Authorized in U. K.

An increase in the output of children's shoes to an extent greater than before the war has been authorized by the British Board of Trade, states a London trade publication. At the same time production of shoes for adults will decrease since leather is still in short supply.

Housing for Rhodesian Natives: Noteworthy Progress in Sight?

The problem of providing housing for native inhabitants in urban areas of Northern Rhodesia (Africa) is receiving government recognition.

Originally native labor in Rhodesia was migratory, and men who came to the city to work left their families in the native villages or "kraals." The native village home, known as a rondavel, is a perfectly round room, usually of mud, brick, or stone. It has a thatched roof, and a doorway is the only opening. These structures, although crude, do not constitute the menace to health that exists in the crowded "locations"—native housing districts on the edges of established towns. Here, small, cheaply built houses, usually lacking electric lights, running water, sewer facilities, and other amenities have been erected for native occupancy, a family to a room, at high rentals.

A special commission appointed by the government to study the situation has recommended the provision of houses consisting initially of two living rooms, a kitchen, a storeroom, and a porch, with three-room cottages to be provided later for occupany by natives willing to pay for them. Plots are to be a minimum of one-eighth of an acre. Toilet facilities are to be added when materials are available, and water is to be piped eventually to each house. Provision is made also for the maintenance of parks, open spaces, gardens, and trees in the "locations."

Livestock

Situation in Switzerland

The number of goats, sheep, and chickens in Switzerland increased in 1944 over 1943, while the number of pigs decreased.

There were 217,888 goats in 1943 and in 1944 the number increased to 218,485. Of this total 166,388 were milk goats, whose output is estimated at 65,000,000 kilograms of milk annually. The number of sheep increased from 203,697 in 1943 to 209,075 in 1944.

There were 4,640,000 chickens in 1940 which decreased in 1943 to 3,720,000 and increased slightly in 1944 to 3,770,000. In addition to the eggs which the owners were permitted to retain for their own use, 122,000,000 eggs were delivered to collecting centers for marketing and 2,100 tons of chickens were slaughtered for meat.

The number of pigs decreased from 706,000 in 1943 to 599,521 in 1944.

Lumber and Products

Exports, British Honduras

Forest products comprised 93.5 percent of the total value of exports from British Honduras in 1943.

Logwood was formerly the leading export item, but was later replaced by mahogany and chicle.

Haiti's Foreign Trade

Imports of lumber into Haiti for the 9-month period from October 1943 to June 1944 showed an increase of 261 percent in volume, compared with the corresponding months of the preceding fiscal year, according to the foreign press.

Exports of lignum vitae during the 9 months ended June 30, 1944, decreased 26 percent in volume, compared with the first 9 months of the preceding period.

Swedish Exports to Denmark

Arrangements between Sweden and Denmark called for the exportation to Denmark of 10,000 standards (1 standard=1,980 board feet) of lumber during the first 6 months of 1944. However, when funds became available for buying Swedish lumber, Danish merchants preferred to use them for the payment of

1943 purchases rather than for new shipments. Lumber shipments to Denmark were therefore negligible for the first half of 1944.

The quota for the second half of 1944 is expected to be small.

Machinery, Other Than Electrical

Rumanian Imports of Farm Machinery

Compared with 3,300 tractors in operation in Rumania in 1940, the Swedish press reports that 5,000 tractors were delivered by Germany in the period 1940–43. Other agricultural machinery reportedly imported in this period included 3,890 tractor-plows, 14,200 harrows, 5,600 sowing machines, 71,000 ordinary plows, 40,200 horse-drawn hoes, 1,000 separators, 1,500 binders, 1,300 mowing machines, 700 threshers, 600-disk harrows, and 115 balers.

Development in U. S. S. R.

The Krasnaya Zvezda plant of Kirovograd, Ukraine, reported by the Soviet press to be the largest agricultural machinery plant in the Soviet Union, had 11 sections restored to operation in late September.

Agricultural machines reportedly furnished the Ukraine by the Government of the Soviet Union included 800 horse-drawn threshers, 1,650 mowers, and 1,520 sheaf-binding machines.

Production of excavators has been resumed at the Rabochi Metallist factory in Kostroma, Yaroslavl Oblast, and the first large shipment has been made to Chelyabinsk. All necessary parts are now produced at the Rabochi plant.

Medicinals and Crude Drugs

Cinchona Plantation Being Developed in Ceylon

A commercial cinchona plantation, which will cover 1,000 acres, is being developed in Ceylon. The total cost of the project is estimated at $908,040 (United States currency), of which the Ceylon Government recently appropriated $454,020.

Camphor Production, Tanganyika

A development recently carried out by the East African Agricultural Research Institute at Amani, Tanganyika, was the operation of a camphor factory at Lushoto for 18 months, until the supply of camphor wood was exhausted, states the British press. During that time almost 61,400 pounds of crude solid camphor and 30,500 pounds of camphor oil were supplied to Great Britain.

Field experiments in cinchona growing and experiments in methods of extracting quinine also were carried on, and some hundreds of analyses of bark from individual trees were made.

Imported Watches: Probable Results of New OPA Regulation

A reduction of about $15,000,000 in retail watch prices over the period of the next 6 months will probably result from a new maximum price regulation for imported watches, the Office of Price Administration announced last week.

Although in some instances importers' prices will be reduced immediately, OPA expects this decline in retail prices to occur chiefly because the regulation spells out in precise terms the methods by which all sellers determine their proper maximum prices.

The regulation, which became effective December 13, 1944, simplifies and consolidates existing provisions contained in several regulations previously governing imported watch prices. The chief purpose of the new regulation is to reduce the reporting burden upon members of the trade. It is expected that the speedier pricing techniques provided in this revised regulation will permit the immediate pricing and distribution to retailers of the large shipment of watches that has just arrived in this country.

Prices previously established on pin-lever, cylinder, and Roskopf watches, as well as the prices of importers and assemblers who purchase directly from Switzerland, are continued in effect. Prices of importers who do not purchase in Switzerland, however, must be redetermined on an in-line basis rather than by using the cost-plus formula previously in effect.

Specific commissions not to exceed 5 percent and 10 percent are allowed purchasing agents, depending upon services performed. Wholesalers are granted a 30-percent mark-up, and retailers are instructed to apply for maximum prices on new-model watches at OPA field offices instead of to the Washington office.

Motion Pictures and Equipment

Post-War Market, China

The post-war market for United States films in China is expected to be favorable. United States films have long been popular in coastal cities, and the war shift of population to Free China has been responsible for the introduction of the motion picture in many new areas. Likewise, new and profitable fields of distribution for United States films appear likely in such regions as Manchuria, Formosa, and Korea.

The local film industry operating in free areas, because of wartime isolation, as well as deterioration and loss of equipment, has been reduced to two small Government-controlled studios. These studios have had a limited output during the past 5 or 6 years. Projection equipment is in need of repair.

Reports from occupied areas say that film production under Japanese supervision in Shanghai has decreased to about four pictures a month. Theaters in Shanghai and other coastal cities continue to operate, however, with poor facilities.

Nonmetallic Minerals

Diamond Production, Belgian Congo

Annual production of industrial diamonds by the Belgian Congo now totals 10,337,000 carats, according to a foreign press report. The demand for industrial diamonds, all of which go to the Allies, has improved the status of the diamond industry of the Belgian Congo which was in a difficult position in 1940 and 1941.

Palestine Diamond Industry

Instead of the small raw stones that are preferred by Palestine diamond cutters, larger diamonds, called melees, are being delivered in Palestine by the London Diamond Syndicate, according to the Foreign Press.

A delegation reportedly is being sent to London in an attempt to bring about a change in the supply policy. Palestine cutters will attempt to show that they wish to cooperate with the Belgian cutting industry, for which it is claimed stocks of small raw stones are being held.

The small stones are suitable for the cutting of eight stones, while the value of the large stones is largely determined by the rough stone, reducing the relative value of the cutting operation. Stocks of large stones are being accumulated in Palestine, it is claimed, as the demand for large stones from India, the chief market, has slackened. On the other hand, cutters are unable to meet the demand from the United States for small stones.

Some 3,500 workers are reported to be employed in the Palestine diamond industry.

Oils, Fats, and Oilseeds

Coconut-Oil Production, Ceylon

The total yield of coconuts in Ceylon will probably be smaller in 1944 than in 1943, according to the reports, because of the failure to replant palm trees. There has been a downward revision of the official estimate of the 1944 yield of

The Goering Works and the Nazis' Steel Industry

Germany's lack of adequate and high-grade iron-ore deposits required the Reich to import large tonnages of ore from other countries. Even in years of smaller steel production some ore was imported from Sweden and elsewhere, largely to obtain richer ores than were obtainable from German mines.

Realization of this dependence upon outside sources for ore was one of the principal reasons (says a recent statement by the American Iron and Steel Institute) for the establishment in 1937 of the so-called Herman Goering Works, which started out as a state-financed steel plant at Salzgitter in central Germany. Choice of the location was determined both by its distance from the French border, which put it out of convenient bombing range, and also by the fact that large deposits of low-grade iron ore existed there.

Large-scale mining operations and a big, fully integrated steel plant were built at Salzgitter. The annual production goal was 10,000,000 tons of ore and 4,000,000 tons of steel. It is believed, however, that these goals were never reached. France fell before the plant was ready for full operation, making available adequate supplies of richer ore from the French mines. A second project of the Goering Works, at Linz, a town on the Danube between Vienna and Salzburg, also probably never reached full production, says the Iron and Steel Institute.

Many iron and steel plants in conquered Europe, however, were taken into the Goering Works combination, which became a sort of holding company as well as an operating unit as originally conceived. Others were taken over by various private German companies. Still other plants were forced to operate for German benefit.

The result, as the Iron and Steel Institute notes, was a well-integrated, pan-Central-European steel industry.

At the crest of German power, close to 60,000,000 tons of steel capacity was available in Axis Europe, of which perhaps as much as 28,000,000 tons were in Germany itself. Since then, through the loss of most of Italy, France, Belgium, Luxembourg, the Balkans, and Hungary, the amount of steel capacity available to Germany has probably decreased to not more than 36,000,000 tons.

How much damage from bombing and sabotage has been done to the various plants still controlled by Germany is conjectural, but the loss in production is believed (says the Iron and Steel Institute) to be considerable—perhaps as much as 20 percent.

coconuts from 1,830,000 long tons to $1,650,000 long tons.

As a result of the increasing age of the palms and inadequate use of fertilizers, it is estimated that there is a 3-percent annual reduction in the yield of nuts. The number of nuts available for copra and oil has been further reduced by the shortage of labor for picking and curing and by an increase in domestic consumption of fresh nuts as a food. In 1938, 741,000,000 nuts were consumed as food, compared with about 935,000,000 in 1944. This increase is due chiefly to the critical shortage of rice, formerly the staple food for local laborers, and the sharp rise in price of almost all foods except coconuts.

For the first 9 months of 1944, exports of fresh coconuts, almost all of which go to India, were 30 percent higher than during the corresponding period in 1943.

The present decline in coconut-oil production has been caused chiefly by the lack of replacement parts for the expellers. The manager of the firm which produces more than half the oil made in Ceylon estimates that their expellers are now operating at about 60 percent of efficiency, principally because of lack of spare parts.

Exports of coconut oil for the third quarter of the year registered an increase over the preceding quarter, but the total for the first 9 months of 1944 was less than was shipped in the comparable period in 1943. During the first 9 months of 1944, India received more than one-seventh of all the oil exported, as compared with one-fourth in the corresponding period of 1943.

The plates and pipes for four 500 long ton storage tanks to be constructed in the Colombo port area were reported in November to have arrived. The Colombo port engineer predicts that the tanks will be in use by February or March 1945, but the pipe line may not be ready for use until a later date.

Copra exports registered the normal third-quarter increase in 1944, but the total for the first 9 months was considerably less than for the corresponding period in 1943, principally because of the large carry-over from 1942 which swelled the 1943 figures, whereas there was almost no carry-over from 1943.

The number of tons of poonac produced is normally about half the amount of coconut oil and about one-third the amount of copra crushed. Because of the lack of replaceable grinding parts for the expellers, it is impossible to extract as much oil from the copra as formerly, with the result that poonac, which before the war contained about 6.5 percent oil, now contains about double that amount. Two firms use hydraulic presses, thus reducing the oil content to about 9 percent.

Increased Demand for Corozo, Honduras

The demand for corozo as a vegetable shortening continues to grow in Honduras, partly because of more general acceptance of the product and partly because of the shortage of hog lard. One important manufacturing concern purchased 587,740 pounds of corozo during the third quarter of 1944, a large increase over the 140,862 pounds bought in the preceding quarter.

Spanish Olive Oil Production

The latest estimate of Spanish olive oil production for 1944 is 210,000,000 kilograms, compared with 465,000,000 kilograms in 1943. The reduction was attributed in part to the unfavorable climatic conditions and in part to the fact that the trees usually yield less after two normal harvests.

Exports, Uruguay

Total exports of linseed from Uruguay during the period January 1 to October 19, 1944, amounted to 20,565,189 kilograms.

During the same period, total exports of linseed oil were 4,240,992 kilograms.

Paints and Pigments

Establishment of Titanium-White Industry, Brazil, Considered

The establishment of a titanium-white industry in Brazil will be considered by the National Confederation of Industries, according to the foreign press.

Although the necessary raw materials for manufacturing titanium-white are available, Brazilian imports of this product in 1943 amounted to 13,507,000 cruzeiros (approximately $87,500), it is stated.

Canadian Foreign Trade

Canadian demand for paints and pigments declined somewhat in 1943, and output dropped 3 percent, to $44,398,000, according to the Dominion Bureau of Statistics.

Imports and exports of these materials also showed slight decreases. The former amounted to $6,281,000 in 1943, compared with $6,420,000 in 1942, while the latter totaled $1,868,000 in 1943 compared with $1,902,695 in 1942.

Petroleum and Products

Oil Refineries in Bolivia

The Bolivian State Oilfields has entered into a contract with a United States petroleum-equipment firm for preliminary studies relative to the establishment in Bolivia of one or more oil refineries, the necessary funds to be borrowed from the Bolivian Development Corporation. The study will cover the location or locations, water supply, electricity, capacity, strategic position, quality of crude oil, and byproducts.

Asphalt Exports, Trinidad, B. W. I.

In 1943 Trinidad, British West Indies, exported 47,150 tons of asphalt, valued at $2,256,565, compared with 1942 exports of 24,331 tons, valued at $727,934, according to the foreign press.

Need for Petroleum Products, France

France is in acute need of imported petroleum products, as well as means and materials for rehabilitating its own petroleum refining industry, states the foreign press. Before the war, approximately 50,000,000 barrels of petroleum products were used annually, Iraq being the chief supplier. In 1939 installations of the French refining industry had daily crude capacity of 150,000 barrels.

Plants along the Mediterranean are believed to be virtually intact, but, with the possible exception of those in the Gironde area, all others have been destroyed or rendered worthless until extensive repairs can be made. In view of the fact that the Government largely controls the French petroleum trade, it is expected that repair work on some of these installations will be begun as soon as materials can be assembled for the purpose.

Except for a relatively small output of benzol, alcohol, and shale oil, France's direct participation in crude-oil production is limited chiefly to Iraq, where the Government-sponsored Compagnie Française des Petroles has one-fourth interest in the Iraq Petroleum Co.

Mexican Production and Exports

Mexican production of crude petroleum during the third quarter of 1944 was at a higher rate than during the second quarter of the year, especially in August when the daily yield was more than 100,000 barrels. Figures for the first 8 months of the year indicate that the total 1944 output will be more than 38,000,000 barrels, or nearly 10 percent higher than in 1943. Fields near Tampico continued to account for a major share of the production.

Exports of petroleum products were at a lower rate during the third quarter than in the preceding 6 months of the current year. It was stated in October that unless shipments were speeded up during the last quarter, annual exports would be approximately 5,000,000 barrels, slightly less than in 1943.

Exports of Gasoline Decrease, Peru

Peru exported 505,232 metric tons of gasoline in 1943 compared with 562,907 tons in 1942. New Zealand, Australia, and Chile were the principal buyers.

Other petroleum products exported in 1943 were 791,673 tons of fuel oil, 134,766 tons of Diesel oil, 69,554 tons of kerosene, and 38,093 tons of crude oil.

Increased Capacity of Shale-Oil Refinery, Sweden

The capacity of the shale-oil refinery at Kvarntorp, Sweden, will be increased from 200,000 to 500,000 barrels annually, according to the Swedish press.

Motor Gasoline of Inferior Quality, U. K.

Motor gasoline for general distribution in Great Britain is more inferior than that used during the past year and a half, states the British press. Sufficient quantities of tetraethyl lead are not available.

Rubber and Products

Elastic Thread From Synthetic Rubber, Canada

The manufacture of elastic thread made of synthetic rubber is being resumed by a large firm in Montreal, Canada, following the release of neoprene latex. Output will not be available to manufacturers until a backlog has been built up. It was expected in November that some 4 months would elapse before garments in which this rubber is used would be ready for distribution to consumers.

Peruvian Rubber Supplies

Peruvian authorities are making efforts to improve rubber supplies for the coming year, states the foreign press. They have taken steps to increase output of natural rubber from the hevea stands in the Peruvian Amazon and are stretching out supplies by requiring manufacturers to use some synthetic rubber in tires and tubes.

Distribution of tires and tubes is handled by a commission which gives first preference to the transportation of farming, mining, and manufacturing goods and, second, to urban and interurban traffic.

Textiles and Related Products

Number of Employees in Canadian Textile Industry

As of September 1, 1944, 133,394 persons were employed in Canada's textile industry—78,085 in the primary and 55,309 in the secondary manufacturing groups, says a Canadian publication. This is a slight increase over the preceding month when 133,251 workers were engaged, but a decrease as compared with the total of 136,212 textile employees reported on September 1, 1943.

Manufacture of Tent and Curtain Materials, Palestine

Tent material and curtain cloth reportedly are manufactured in Palestine in sufficient quantities to supply domestic demand and build up a surplus of about 800,000 square meters available for export.

Textile Production, U. S. S. R.

Textile workers in Leningrad, U. S. S. R., completed the third-quarter quota plan 2 weeks ahead of time. They produced, above the quarterly plan, 1,500,000 meters of fabrics, more than 4,500,000 spools of thread, and 200 tons of yarn, say published reports.

Cotton and Products

Cotton Industry Active, Sao Paulo, Brazil

Cotton planting in Sao Paulo, Brazil, progressed satisfactorily during the latter half of October, after sufficient rain had fallen to break the drought. The area planted is expected to equal that of 1943–44.

From March 1 to October 31 about 437,281 metric tons of 1943–44 cotton were classified by the Bolsa de Mercadorias of Sao Paulo.

During the first 6 months of 1944, active spindles in Sao Paulo numbered 1,046,064, and inactive spindles, 16,489, making a total of 1,062,553. During that period 40,353 tons of cotton were

consumed, as compared with 39,350 tons in the corresponding period of 1943. Exports of cotton textiles during the first 5 months of 1944 amounted to 7,639 tons, valued at 346,411,000 cruzeiros, slightly lower than the value of 358,246,000 cruzeiros on cotton textile exports in like months of 1943.

Cotton production in the northern region of Brazil in the 1943–44 crop year is estimated by the Ministry of Agriculture at 104,617 tons, compared with 78,680 tons in 1942–43.

Canadian Cotton Consumption and Manufacture

During October, 32,531 bales of cotton were consumed in Canada, compared with 28,367 bales in September and 33,182 in October 1943, a Dominion trade journal states. This makes a total of 329,514 bales opened during the first 10 months of 1944, or about 11 percent below the corresponding total of 371,563 bales for 1943.

Indications are that supplies of yarn and fabrics (prints, household fabrics, and industrial cloths) will be lower than last year and will continue tight in the early months of 1945, unless sufficient quantities can be imported. Shortages of skilled workers are mainly responsible for the decline.

As of September 1, 21,989 persons were employed in the cotton yarn and cloth mills, compared with 22,341 so employed in the preceding month, and 22,981 on September 1, 1943.

Cotton Cloth Imports and Exports, Colombia

During 1943 Colombia imported 17,477,090 kilograms of raw cotton, compared with 19,332,451 in the preceding year, and exported 929,587 kilograms of cotton cloth, says a foreign publication. In 1942 exports of cotton cloth amounted to only 231,877 kilograms.

Haiti's Cotton Exports

Cotton exports from Haiti during the fiscal year ended September 30, 1944, amounted to 4,679,996 kilograms, valued at $1,095,766. These figures are more than double the 2,001,897 kilograms valued at $409,786 exported in the preceding year.

High prices led to increased efforts in collecting all available wild and semiwild cotton.

Cotton Consumption and Sales, Peru

Peru's cotton mills operated 5,612 looms and 140,379 spindles during 1943. About 250,000 quintals of cotton were consumed in the production of 10,438,170 kilograms of yarn.

Sales of 1944 cotton in Peru during the first 9 months of 1944 totaled 899,432 quintals—Tanguis accounting for 857,463 quintals, Pima 32,191 and Acala 9,778 quintals.

As of November 9, cotton stocks at Peruvian ports amounted to 1,672,631 quintals.

During September, 1,791 metric tons of cotton were exported, compared with 3,881 tons shipped in the corresponding month of 1943. Among the larger purchasers were Chile, 986 tons; Venezuela, 497 tons; and Colombia, 270. The 9-month total for 1944 is 19,306 metric tons, somewhat lower than the 25,347 and 25,549 tons shipped in corresponding periods of 1943 and 1942, respectively.

Increased Production, Nyasaland

Cotton cultivation in Nyasaland has been stimulated by higher prices, and in 1943 production was about 50 percent higher than in 1939. Cotton is ginned and pressed in the Protectorate, but not further processed. India has supplanted Japan as the chief supplier of finished textiles.

By value, cotton ranks third among Nyasaland's exports.

Exports of Cotton Yarns and Piece Goods, U. K.

Exports of 19,152,000 pounds of cotton yarns from the United Kingdom in 1943 were slightly above those of 1942, when 18,704,000 pounds were shipped, but were far below the 1938 total of 122,976,000 pounds, says a British trade publication.

Exports of cotton piece goods amounted to 374,000,000 square yards, and continued the war-time downward trend from the 485,000,000 square yards forwarded in the preceding year, and 1,386,000,000 yards shipped in 1938. These items were exported to the following countries:

[In millions of square yards]

Exported to—	1938	1942	1943
Enemy and occupied countries	249	23	.....
British India	273	6	3
Australia	146	88	74
Union of South Africa	109	84	40
West Africa and Belgian Congo	81	78	112
Argentina	98	38	12
South America (other than Argentina)	65	11	3
Canada	64	39	27
Egypt	39	12	1
Eire	28	8	6
New Zealand	27	34	40
United States	9	10	8
Other British countries	89	29	28
Other foreign countries	109	25	20
Total	1,386	485	374

Expansion in Textile Industry, U. S. S. R.

The textile industry in the Uzbek Republic, Russia's main source of cotton, has undergone wide expansion in the past 10 years. The Tashkent Textile Combine now comprises two spinning mills, two weaving mills, one thread mill, one calico printing factory, and a large power station.

Textile mills in the Yaroslavl Oblast (Province) produced 6 percent above the August plan. The Moscow Oblast textile industry overfilled its August plan also, in regard to the production of cotton yarn, unbleached cotton, and thread.

SQUEEZE PLAY FROM BOTH SIDES OF THE COUNTER.

Synthetic Fibers

Canadian Imports and Manufacture

Imports of rayon filament yarn into Canada in the first 9 months of 1944 amounted to 5,239,565 pounds, compared with 3,541,734 pounds received in the corresponding period of 1943, says a foreign trade publication. Acetate single yarns totaling 2,976,880 pounds, and viscose and other yarns, single, 1,976,540 pounds, were responsible for the increase.

Shipments of strong rayon yarn for tire cord, totaling 328,629 pounds, valued at $156,855, were received in September, making a 9-month total of 1,780,620 pounds, worth $849,908.

Imports of rayon staple fiber, in the January to September period increased to 4,794,459 pounds, from the corresponding total of 4,391,850 pounds in 1943. During September, more than 900,000 pounds were received from the United Kingdom.

As of September 1, rayon and silk mills employed 11,161 workers, as compared with 11,367 in the preceding month, and 10,562 on September 1, 1943.

Miscellaneous Fibers

Sisal Production, British East Africa

British East Africa expects the production of sisal to total about 140,000 long tons in 1944, even though the area was visited by unseasonable rains. This estimate has been made by unofficial sources.

Linen and Jute Exports From U. K.

Exports of linen and jute from the United Kingdom reached a new low in 1943, according to figures recently published in a foreign trade periodical.

Only 10,500,000 square yards of linen piece goods were exported in 1943, compared with 22,600,000 in the preceding year and 51,800,000 in 1938. Shipments of jute yarn amounted to 560,000 pounds in 1943, compared with 2,240,000 pounds the preceding year and 15,680,000 pounds in 1938. Jute piece goods exports totaled 9,200,000 square yards in 1943, 28,600,000 square yards in 1942, and 83,900,000 in 1938.

Tobacco and Related Products

Bolivia Tobacco Industry

There were two tobacco manufacturing concerns in Bolivia in 1943 with an invested capital amounting to 8,636,571 bolivianos ($1=42 bolivianos). This represents 1.045 percent of total capital invested in industry in the country. The

value of tobacco products manufactured in 1943 totaled 49,401,950 bolivianos, and sales totaled 50,444,247 bolivianos.

Tobacco Production and Exports, Dominican Republic

The 1944 crop of tobacco in the Dominican Republic produced about 62,000 bales of 50 kilograms each, of which 20,000 were bought for home consumption and 42,000 bales for export. It is estimated that only about 1,000 bales of the 1944 crop were still in the hands of farmers as of the middle of October. Stocks of old crops still unshipped were estimated at 25,400 bales. The amount of tobacco shipped during July and August 1944 was 10,415 kilograms, valued at $2,093, compared with 105,279 kilograms, valued at $20,114, during the third quarter of 1943. Leaf-tobacco exports from the Dominican Republic in the years 1939–43, and the first 9 months of 1944, were as follows:

Year	Quantity	Value
	Kilograms	
1939	8,714,134	$422,263
1940	2,387,644	96,215
1941	3,745,945	147,024
1942	3,359,366	286,252
1943	7,459,795	1,078,231
1944 (Jan–Sept.)	370,842	68,614

Prices to farmers for the bulk of the 1944 crop have varied from $10 to $12 per bale, although early in the season small quantities were sold at $7. These high prices have encouraged farmers to increase plantings so that, with favorable weather, a crop of about 300,000 bales is expected in 1945.

Most of the tobacco produced in the Republic is grown in the Cibao Valley. Land available for planting totals approximately 39,000 acres. Should weather conditions not be favorable for tobacco, this land is also adaptable to several food crops which have a good export market.

Tobacco Shortage in Switzerland

The shortage of tobacco in Switzerland has caused several small cigarette manufacturers to close down and others to reduce deliveries to retailers up to 50 percent, according to the foreign press. Tobacco imported by Switzerland and stored in Spain and Portugal is being given first priority in the shipment of Swiss import goods by road through France.

Philippine Liberation, Key to Soapers' Supply Problem

(Continued from p. 13)

ducing coconut oil. Demand was brisk from the United States, where flourishing soap and margarine industries were steadily requesting increased supplies of high-lauric-acid oils, and prices were high. Despite the fact that trained technical advisors were, for all practical purposes, completely lacking, and extraction

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percentages so low that oil cake produced contained from 10 to 18 percent oil, profits were substantial.

Growth of the crushing industry is indicated by customs reports. Whereas copra shipments declined from 315,000,000 pounds in 1912 to 181,000,000 pounds in 1917 and to the low of 55,000,000 in 1919, coconut-oil exports, which were none in 1912, increased to 100,000,000 pounds in 1917 and to 309,000,000 pounds in 1919.

The phenomenal rise in milling operations was momentarily checked in 1918 by the Armistice; then prices fell, and demand from the United States slackened off. Even before this, many plants had been forced to operate on a part-time basis, as their combined capacity was greatly in excess of copra supplies available for crushing. Philippine manufacturers, however, viewed this setback as merely temporary, and initial events of 1919 seemed to justify their sentiments. Fat-starved Europe came into the market and imported 120,000,000 pounds of coconut oil from the Philippines in 1919, at prices even higher than wartime peaks. But by 1920 European demand had dwindled to only 12,000,000 pounds. Oil millers found themselves faced with heavy debts, contracted during prosperity at inflationary levels; and oil stocks, for which there was no market, mounted steadily. Of the 41 establishments operating on January 1, 1920, 21 had closed by July 1924, and none of these have reopened. Two of the remaining 20 were diverted to the manufacture of desiccated coconut, and slow deterioration set in among several of the others.

Since that time, the coconut-oil industry has developed along less spectacular lines. Output has increased more or less steadily, totaling 495,000,000 pounds in 1939 and 519,000,000 pounds in 1940. A general slump in fats and oils markets during the thirties was reflected in the declining prices for copra and coconut oil over that period.

Rivaling the Netherlands Indies for the position of number one supplier of copra, the Philippines shipped approximately 700,000,000 pounds annually during the period 1936–39, compared with 1,000,000,000 pounds by the Netherlands Indies. However, during the same years Philippine coconut-oil exports totaled well over 350,000,000 pounds, more than 10 times the quantity leaving the Netherlands Indies.

Domestic Benefits

On the domestic scene, the coconut industry is vital to the Philippine economy. Philippine agricultural experts estimated in 1938 that the coconut industry supported one-third of the population of the Island. Latest Census reports, issued in 1939, indicate that more than half of all farmers produce coconuts, either as their principal harvest or as a side crop. Of the total land under cultivation in 1939, more than one-fourth was in coconut palms. In 1940 copra output totaled 1,600,000,000 pounds. Although palms grow throughout the Philippines, a large share of the planted area is concentrated in the provinces of Taya-

Philippine Exports of Coconuts and Coconut Products

[In millions of pounds]

Year	Copra		Coconut oil, crude		Fresh coconuts [1]		Desiccated coconut		Copra cake and meal	
	Total	To United States	Total	To United States	Total	To United States	Total	To United States	Total	To United States
1899	33									
1912	315	53			102	102				
1915	307	47	30	29	71					
1919	55	5	309	188	82				83	52
1921	331	117	199	177	6	[2]			98	28
1925	317	256	230	212	6	2	28	27	123	29
1930	384	311	325	322	1	[2]	44	43	198	30
1931	384	267	364	328	4		37	37	217	13
1932	303	183	253	243	16	13	35	35	167	8
1933	681	459	352	347	264	261	40	39	220	24
1934	756	338	319	300	401	398	52	52	220	73
1935	558	459	362	358	21	20	75	74	225	71
1936	642	402	350	333	2		74	73	239	114
1937	521	457	359	353	4	3	90	89	244	102
1938	754	501	364	352	1		76	75	285	81
1939	883	496	363	343	[2]	[2]	92	91	252	102
1940	754	537	391	349	8		89	89	232	200

[1] Thousands of nuts.
[2] Less than one-half unit.

SOURCE: Data for 1899—Trade in Philippine Copra and Coconut Oil, U. S. Department of Commerce; for 1912–38—Annual Report of the Insular Collector of Customs, Commonwealth of the Philippines, Department of Finance, Bureau of Customs; for 1939–40—Yearbook of Philippine Statistics, Office of the President, Bureau of Census and Statistics.

bas, Samar, Misamis Oriental, Misamis Occidental, Leyte, Zamboanga, Sorsogon, Albay, and Laguna. Samar and Leyte, the islands from which initial reoccupation operations were based, produced approximately 11 percent of the 1940 copra crop.

Manila and Cebu have been the established crushing centers in the Philippines. Modern plants, mainly financed by foreign capital (45 percent United States and the remainder principally British), employed nearly 2,000 workers in 1938. In 1941, 8 major mills and 10 smaller factories were operating, with the combined capacity of the 5 largest mills in excess of 1,000,000 pounds daily.

Prospects for the Industry

It is impossible to predict accurately the immediate future of the Philippine coconut industry. Very probably crushing facilities will be damaged or destroyed in the course of military operations, or by the Japanese before final surrender—indicating that for some time after the islands are liberated, Philippine exports will be principally in the form of copra rather than coconut oil.

It would be difficult for the Japanese to apply an effective scorched-earth policy in the coconut-producing areas, because of the widespread and diverse character of these holdings.

Early copra exports in quantity will be largely dependent upon the extent of copra stocks held in warehouses at the time of Japanese defeat. The condition of the harbor and dockage facilities at Manila and Cebu will be most important in determining when copra supplies can be shipped from the Philippines. However, if labor and building material can be made available, it will be possible for loading sites to be established elsewhere in the Islands.

Renewed activity in actual copra production must await "mopping up" operations by our Army. The peaceful pursuit of agriculture cannot proceed until all Japanese sniper and guerilla forces have been liquidated. Therefore, we may anticipate a considerable lapse of time before any new copra reaches shipping centers.

By a tremendous wartime effort, the United States fats-and-oils industry has swelled output far above previous production records. Our pre-war imports have been more than offset in volume. But the importance of copra and coconut-oil imports from the Philippines, which in 1941 totaled 715,000,000 pounds on an oil basis and accounted for more than one-third of all foreign fats and oils shipments received in that year, cannot be measured by volume alone. Despite its relative insignificance in domestic disappearance figures—only 7 percent of total 1941 consumption—the loss of coconut oil and copra imports into the United States since Pearl Harbor has been the most serious fats-and-oils problem confronting this country. Solution of this difficulty, through liberation of the Philippine Islands, will allow soap manufacturers to resume pre-war quality standards and expand their markets to meet ever-rising consumer demand.

Contributors' Column

Sugar Industry").—Born New York State. Graduate Liberty High School, Liberty, N. Y.; B. A. cum laude, Brooklyn College, 1933; M. A. Columbia University, 1940; also attended St. Lawrence University Law School. Employed on editorial staffs Liberty Register, Liberty, N. Y., 1929–30; Newspaper Enterprises Inc., New York City, 1933–41. Entered Bureau of Foreign and Domestic Commerce, January 1942. Author "Confectionery Sales and Distribution," for years 1942 and 1943; quarterly "Sugar Industry Report," 1944. Now an Economic Analyst in the Foodstuffs Unit.

Charles E. Lund ("Philippine Liberation, Key to Soapers' Supply Problem").—Born New York City. Twenty years' experience in wholesale and retail food industries in the New York area. With Bureau of Foreign and Domestic Commerce since 1934 as Chief of Fats and Oils Section of Foodstuffs Division and since 1943 has been concurrently Chief of the Fats and Oils Unit and Acting Chief of the Foodstuffs Unit of the Bureau. Chief of the U. S. Vegetable Oil Mission to Brazil, which at the request of the Brazilian Government in 1942 inspected areas producing raw materials and also processing facilities in that country; detailed recommendations were incorporated in a published report. Author of a number of articles and lectures dealing with fats and oils.

Mary Ellen Poole ("Philippine Embroideries").—Born in Wilmington, Del. S. W. Missouri State Teachers College. Studied at Pratt Institute and Traphagen School of Fashion, New York, specializing in women's apparel. Special studies in journalism. Came to Washington in 1941. Studied languages and journalism at King-Smith Studio School and George Washington University. Now studying at American University for B. S. in Economics. Entered OPA in October 1942. Transferred to Textiles Unit, Bureau of Foreign and Domestic Commerce, June 1943. On staff of Industrial projects Unit as Business Assistant since February 1944.

Mary A. Pugh (*"Luzon"*).—Born in Washington, D. C. Educated in Washington public schools; special studies in English, French, and German with private instructors and at George Washington University. Entered Far Eastern Division, Bureau of Foreign and Domestic Commerce, October 1919. Regional Assistant on countries in southeastern Asia 1923 to 1940; specialist on Philippines 1940 to date. Author of articles and studies on southeastern Asia countries, and contributor to handbooks and other publications of Department of Commerce.

Margaret E. Wambsganss ("Abaca (Manila Fiber) in the Philippines").—Born Chicago, Ill.; educated in Buffalo, N. Y., and at George Washington University, Washington, D. C. Engaged in general business practice in Buffalo for a number of years, experience including chemical and metallurgical engineering and transportation. Entered Federal Service in March 1937, being attached for 5 years to Administrative Staff, Railroad Retirement Board. With Bureau of Foreign and Domestic Commerce since March 1942 as Business Assistant, Industrial Projects Unit. Member National League of American Pen Women.

Abacá (Manila Fiber) in the Philippines

(Continued from p. 11)

sturdy trees, similar to the banana tree, would require incalculable hours of back-breaking labor. As the abacá plant reaches maturity, it produces suckers, and when old stands are cut down, the young shoots already have a good start, and they, too, must be removed. Abacá plants seldom die from neglect or misuse until at least 4 or more years have elapsed. Continued neglect may lower the quality of the fiber, but the sturdy plants will continue to grow.

After control of the Philippines has been wrested from the Japanese invaders, marketing of abacá may be facilitated by reinstatement of the Philippine Government corporation, known as the National Abacá & Other Fibers Corporation, established in 1938. This unit was set up for native marketing of the product, with an initial capitalization of 20,000,000 pesos. Centers for fiber collection were set up in provinces other that Davao, and the fiber was offered to buyers in the United States.

Difficulties will be encountered in effecting shipments from Mindanao, because of the lack of good port facilities. As late as 1941, loading of all but inter-island vessels was accomplished by lighters. Problems such as these, however, will not prove insurmountable.

As soon as the landings in Leyte were announced, meetings were held between Government officials and cordage men, and a decision was reached to harvest immediately as much as possible of the Leyte and Samar abacá. The plants are believed to have deteriorated somewhat, but even the lower-quality fiber will make a valuable contribution to present stocks. It is reported that the fiber will be moved by the Navy, but sufficient quantities will not be available to permit of any civilian use for some time to come.

Six locomotives and 75 cars purchased from Canada were delivered recently to the Jamaica Government Railway to replace obsolete equipment. This railway has 210 miles of single track.

New Books and Reports

★The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. *Please note:* The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of Interest to Businessmen Appearing in the Department of State Bulletin December 10, 1944.

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., for the price of 10 cents each; subscription price $2.75 a year. The December 10 issue contains these articles:

CONSULTATION AMONG THE AMERICAN REPUBLICS RELATING TO INTERNATIONAL ORGANIZATIONS, STATEMENT BY THE SECRETARY OF STATE.

CONTROL OF PERSONS ENTERING AND LEAVING THE UNITED STATES.

THE INTEREST OF THE AMERICAN BUSINESSMAN IN INTERNATIONAL TRADE. ADDRESS BY ASSISTANT SECRETARY ACHESON.

OPERATIONS OF UNRRA: FIRST QUARTERLY REPORT.

RESUMPTION OF PRIVATE TRADE IN LIBERATED AREASS A PROGRESS REPORT ON THE WORK OF THE SPECIAL ECONOMIC COMMISSION. BY DONALD S. GILPATRIC.

LIMITATION OF THE PRODUCTION OF OPIUM. ARTICLE BY GEORGE A. MORLOCK.

INTERNATIONAL CIVIL AVIATION CONFERENCE, AN ADDRESS BY ADOLF A. BERLE, JR., AT FINAL PLENARY SESSION.

EXPLORATORY CONVERSATIONS ON TAXATION.

DOUBLE TAXATION CONVENTIONS WITH CANADA AND FRANCE AND SUGAR PROTOCOL.

TEMPORARY RAISING OF THE LEVEL OF LAKE ST. FRANCIS DURING LOW-WATER PERIODS.

AGREEMENT FOR UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION.

Other Publications

INQUIRY REFERENCE SERVICE. U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce.

—HAITI'S TRADE PROBLEMS. November 1944. 22 pp.

—MEXICO AS A PRODUCER AND CONSUMER OF ORGANIC CHEMICALS. December 1944. 25 pp.

Available gratis from: Bureau of Foreign and Domestic Commerce, Washington 25, D. C.

SIXTEENTH BOSTON CONFERENCE ON DISTRIBUTION 1944. Boston Conference on Distribution. 1944. 106 pp. Price, $3.75. Report on a national forum on distribution problems, October 16 and 17, 1944, Boston. Among topics covered are: Reconversion, disposal of Government surpluses of consumer goods, disposal of surplus capital goods, coming changes in distribution, housing, farmer cooperation, television, Anglo-American relations, trade relations with China and with Latin America, international trade agreements, foreign markets and post-war business.

Available from: Daniel Bloomfield, Director, Boston Conference on Distribution, 80 Federal Street, Boston 10, Mass.

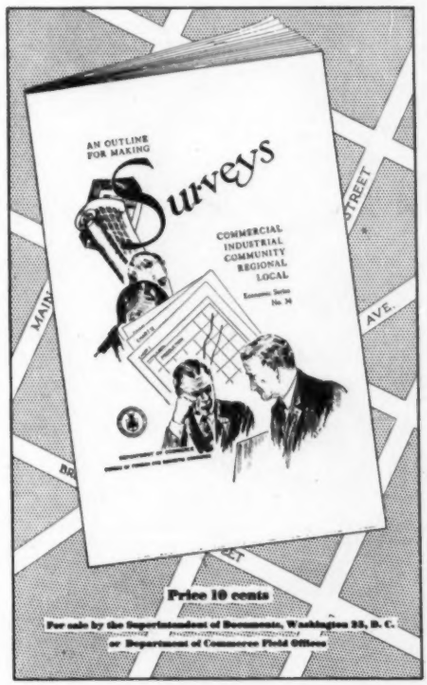
FREEDOM AND THE FREE MARKET INSEPARABLE. Emerson P. Schmidt. 1944. 11 pp. Post-War Readjustments Bulletin No. 11. Points out the importance of free markets for international trade in attaining a lasting world peace.

Available from: Chamber of Commerce of the United States, 1615 H St. NW., Washington 6, D. C.

PRODUCTS THE WEST CAN PRODUCE AND ADVERTISING'S PART IN MARKETING THEM. Pacific Advertising Association, Market Study Committee. 1944. 140 pp. Price, $2; plus 5-cent sales tax if delivered in California. A product and market study containing articles and material contributed by authorities in advertising and in various industries. Among subjects covered are aluminum, steel, magnesium, lumber, oil, paper, wine, apparel, furniture, agriculture, travel. Includes several articles on foreign trade, and a general summary of advertising's opportunities and responsibilities in post-war years.

Available from: Pacific Advertising Association, 337 Monadnock Bldg., San Francisco 5, Calif.

ESTABLISHING A BUSINESS IN VENEZUELA: SUMMARY OF INFORMATION RELATING TO INVESTMENT AND ECONOMIC DEVELOPMENT. U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce.



Trade Lists

The Commercial Intelligence Unit has recently compiled the following trade lists of which mimeographed copies may be obtained by American firms from the Bureau of Foreign and Domestic Commerce. The price is $1 a list for each country.

Motion-Picture Industry—Peru.
Office Supplies and Equipment, Importers and Dealers—Trinidad.
Paper and Stationery, Importers and Dealers—El Salvador.
Sawmills—Uruguay.

November 1944. 33 pp. Inquiry Reference Service.

Available gratis from: Bureau of Foreign and Domestic Commerce, Washington 25, D. C.

RESEARCH AND POST-WAR PLANNING: BIBLIOGRAPHY, PART XVII. United Nations Information Office. 1944. 80 pp. Price, $1. Additional volume in a series listing sources of information for those interested in post-war planning.

Available from: United Nations Information Office, 610 Fifth Avenue, New York 21, N. Y.

CIVIL AVIATION AND PEACE. J. Parker Van Zandt. 1944. 157 pp. America Faces the Air Age: Vol. II. Price, $1. Analyzes the fundamentals of the controversy over civil aviation, in an effort to develop a policy which will mutually benefit all participating nations, and outlines a program which the author believes would help greatly to assure the economic stability, prosperity and peace of the world.

Available from: The Brookings Institution, 722 Jackson Place, Washington 6, D. C.

CHINA TAKES HER PLACE. Carl Crow. 1944. 303 pp. Price, $2.75. A story of struggle and achievement in the world's oldest nation, telling of the era of the War Lords, the Sun Yat-sen Revolution, the emergence of a modern China and her industrialization, the years under Chiang Kai-shek, and other interesting facts. Provides a background of information on such questions as: What opportunities will develop for foreign business and investment? Will China become an industrial nation? Does the economic future of China lie in the cooperative movement?

Available from: Harper & Bros., 49 East 33rd Street, New York 16, N. Y.

LIFE OF A FAMILY IN INDIA (A PICTURE PORTFOLIO). The East and West Association. 1944. Portfolio Series No. 1. Price, 50 cents. A set of 16 authentic photographs depicting life of a family in India, and designed to further mutual knowledge and understanding between peoples.

Available from: The East and West Association, 40 East 49th Street, New York 17, N. Y.

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Trade-Mark Applications

***Brazil.*—Notice of applications for registration of the following trade-marks was published in the Diario Oficial. Opposition must be filed within 60 days from the date of publication:**

Trade-mark	Class No. and product	Date of publication
		1944
Buckingham	48—Perfume and soaps	Nov. 17
Nogat	55—Preparations for conserving and polishing floors and objects in general and for cleaning metals.	Do.
Iovendol	3—Chemical substances and other preparations for use in medicine and in pharmacy. Vaccines and biocultures for use in medicine and in pharmacy.	Do.
Radiol	1—Chemical substances used in manufactured products, industries, analyses, research, photography, and as anticorrosives.	Do.
Paroxid	do	Do.
Cremethiagenan	3—Pharmaceutical product.	Do.
Ginothiagenan	do	Do.
Rinothiagenan	do	Do.
Odontothiagenan	do	Do.
Emulthiazamida	do	Do.
Oftalmothiazamida	do	Do.
Locothiazamida	do	Do.
Soluthiazamida	do	Do.
Rinothiazamida	do	Do.
Otothiazamida	do	Do.
Madas	17—Office supplies and equipment of all kinds (except paper).	Do.
Rotex	6—Machines (except agricultural and their parts, for all industrial purposes.	Do.
Delta	do	Do.
Climor	48—Perfumery and soaps.	Do.
Lattosten	3—Pharmaceutical preparation.	Do.
Auxicord	do	Do.
Sulforvitamina	do	Do.
Sulfenil	do	Do.
Sulforamina	do	Do.
Sulfor	do	Do.
Bisulfor	do	Do.
Sulfor	do	Do.
Elebeque	do	Do.
Bilueto	do	Do.
Swing	36—Outer wearing apparel (clothing, shoes, hats, knit goods, stockings and unspecified).	Do.
Rosemai	48—Perfumery and soaps.	Do.
Rex	38—Paper, for writing, binding, and drawing of all kinds. Other paper manufactures (not included in other classes).	Nov. 18
Detenol	2—Chemical substances used for agricultural and horticultural, veterinary and sanitary purposes.	Nov. 21
Detatu	do	Do.
Oxiuran	3—Pharmaceutical specialty.	Do.
Sunclad	42—Wines and alcholic beverages (not included in other classes).	Do.
	43—Natural and artificial mineral waters (not included in other classes).	
	41—Animal and vegetal foodstuffs preserved or not. Ingredients for foods and preparation of substances for the same purpose, preserved or not.	
Controlex	17—Office supplies and equipment of all kinds (except paper).	Do.
Damasco	59—Cotton thread for sewing.	*1944* Nov. 21
Montana	15—Articles of porcelain, chinaware or ceramics for all purposes.	Do.
Rover	44—Tobacco and tobacco manufactures and smokers' articles (except paper).	Nov. 20
Picture of a tiger	22—Cotton yarn (except sewing thread).	Do.
	28—Silk (natural or artificial) yarn or thread.	
	31—Woolen or hair yarn, twisted or not, including for sewing and knitting.	
Azteca	17—Office supplies and equipment of all kinds (except paper).	Do.
The Stanley	24—Transmission beltings.	Do.
Tio Sam	40—Woolen and metal furniture upholstered or not (except for office and technical uses). Mattresses, pillows, covers, and quilts for beds and furnitures.	Do.
Hotness	48—Perfumes and scented soaps.	Do.
Hotly	do	Do.
Plywood	do	Do.
Wood-Note	do	Do.
Nimbo	do	Do.
Depil	do	Do.
Only	do	Do.
Ercoup	21—Vehicles of all kinds, manual, animal, mechanical or aviatorial traction.	Do.
Moldalex	10—Instruments, apparatus, and appliances, medicinal, surgical, veterinary for curative purposes or in relation to the health of man or animals.	Do.
Tetraverine	3—Pharmaceutical and medicinal product.	Do.
Histajam	3—Pharmaceutical product.	Do.
Tio Sam	49—Games and toys of all kinds, sporting goods and wearing apparel exclusively for sports 60—Other articles, not specified in previous classes.	Do.
Picture of a seal	41—Animal and vegetal foodstuffs preserved or not. Ingredients for foods and preparation of substances for the same purpose, preserved or not.	Do.
Conga	48—Perfumes and scented soaps.	Do.
Bradford	36—Outer wearing apparel (clothing, shoes, hats, knit goods, stockings and unspecified).	Do.
Hudson	58—36-10	Do.
Borbonite	36—10—58	Do.
Novochimosin	3—Pharmaceutical product.	Do.
A-Til	3—Pharmaceutical and medicinal product.	Do.
Ad-Til	do	Do.
B-Til	do	Do.
C-Til	do	Do.
D-Til	do	Do.
Royalcalcio Irradiado.	do	Do.
Atox-Total	do	Do.
Auritil	do	Do.
Vamp	42—Wines and alcoholic beverages (not included in other classes).	Do.
Euprunina	3—Pharmaceutical and medicinal preparation.	Do.
Deage	do	Do.
Farmocalcio	2—Chemical substances used for agricultural and horticultural, veterinary and sanitary purposes.	Do.
Cecatril	do	Do.
Cokaxa	42—Wines and alcoholic beverages (not included in other classes).	*1944* Nov. 20
Cuban	do	Do.
Sedalgin	3—Pharmaceutical product.	Do.
Dermalgin	do	Do.
Pulmogin	do	
Frenalgin	do	Do.
Fidalgin	do	Do.
Pantalgin	do	Do.
Manulac	48—Perfumes and scented soaps. Preparations for cleaning and conservation of teeth and hair, and brushes. Combs and other toilet articles not specified.	Do.
D. D. Teina	2—Chemical substances used for agricultural and horticultural, veterinary, and sanitary purposes.	Do.
Cyrkon	8—Precision, scientific (including for industrial, educational and utility purposes, measures and scales of all kinds) instruments.	Do.
Orion	do	Do.
Ferrowatt	do	Do.
Metallum	do	Do.
Aluminol	55 — Preparations for conserving and polishing floors and objects in general and for cleaning metals.	Do.
Mira-Bel	48—Perfumes and scented soaps. Preparations for cleaning and conservation of teeth and hair, and brushes. Combs and other toilet articles not specified.	Do.
Prometal	1—Chemical substances used in manufactured products, industries, analyses, research, photography and as anticorrosives.	Nov. 27
Itacol	do	Do.
Setinex	do	Do.
Progalvan	do	Do.

***Chile.*—Notice of applications for registration of the following trade-marks was published in the Diario Oficial of December 1, 1944. All are Class No. 75—Drugs and pharmaceutical products. Opposition must be filed within 30 days from the date of publication:**

Trade-mark	*Trade-mark*
Actinocalcil	Papartrial
Betramina	Urcosalin
Efedrenal	Ampolletas Antialergicas
Sulagen	Hyposulfol Hormus
Larocal	Ergobron Donin
Redocal	Foliandrin
Normalina	Enterosept
Amidowin	Tran Quinal
Coriowin	Procardin
Clyvacil	Bepriman
Drawinol	Besextan
Drewina	Cepur
Lutawin	Cetonin
Molecanol	Cecalcit
Wintocain	Hexirol
Wintroplex	Optalgin
Zonalin	Avitan
Atoxon	Bella-Cornal
Adeophtol	Bordamin
Agophen	Citophen
Apholin	Detamin
Assialgan	Humidal
Axeron	Oximed
Bereon	Rectozcrin
Bromisan	Zoridorm
Cereon	Lunal
Deradion	Pasinervin
Kareon	Vitophan
Laktoreon	Aldestan
Prifinol	Donnatotal
Septol	Scillitan
Digitowin	Palacrin
Ergobromin	

Trade-mark	*Trade-mark*
Palipan	Atroveurin
Parazol	Dineurin
Tonic-On	Atergit
Tapazol	Atervit
Antex	Bettervit
Moltex	Digineurin
Sambar	Digitiamin
Garisan	Vitaderm
Passichol	Vitaderin
Hemovil	Yodoneurin
Kacevit	Procordin
K–C–Vit	Amineurin
Elkosina	Lamineurin
Amycetol	Lumineurin
Mycetal	Fenamitrol
Vi-Alpha	Diprocord
Reifox	Pectamin
Vitalusan	Anelmin
Lusantol	Unguento En Guardia
Bacoil	Gnb-A-Ddt
Sonrisal	Ganol
Laboratorio Quimico Nobel	Ionsal
Aero Brand HCN Discoids	Lanosal
Seimac	Tonosal
Saelzer	Hexoril
Vaso-Neurine	Visurol
Frenol	Minisal
Chicle	Forestal
Chatelain	Venus
Gaurol	Triol
Endopancrine	Rubitol
Inava	Pilsal
Cryptargol	Manipal
Hectargyre	Bif
Hectine	Arboneeld
Noczema	Hercules
Bellavit	Intelin
Velavit	Samson
Belovit	Digezim
Ergoneurin	Chimed
Bellovit	Panbe-Zim
Atrovit	Super-Man
	Reumivit

Late AIRGRAMS

(Continued from p. 17)

rival of the newly appointed Governor. The food supply has materially improved, and, with the exception of beef, foodstuffs have been arriving in quantities adequate for the needs of the island. Larger imports of flour have restored the free sale of bread, and dried fish and cooking oils are available. The principal shortage at present is in cotton cloth.

All imports are rationed to the extent that dollar funds are available. As the local authorities receive advice of the amount of dollar funds to be placed to their credit by the French Mission in the United States, these amounts are divided among the local trade groups, in accordance with the needs of each. These trade groups are composed of all members, large or small, of each class of trade or industry, divided into nine categories, namely: (1) Food and similar products; (2) hardware and building materials; (3) clothing, dry goods, and allied products; (4) industrial machinery and equipment; (5) fertilizer; (6) automotive vehicles, parts and accessories; (7) petroleum products and fuel; (8) drugs and medical supplies of all kinds; the ninth category is composed of miscellaneous lines such as radios, sewing machines, office equipment, and optical supplies. Every dealer, from the large wholesaler to the smallest storekeeper, is a member of one of the designated nine trade groups.

It was reported that as of October 1, 1944, Martinique had approximately $3,000,000 worth of orders pending in the United States, of which $1,000,000 represented orders placed under the private purchasing system. The purchases for the fifth, sixth, and seventh, and part of the first trade groups are made by the French Mission, and to this extent the local trade groups do not share in the monthly distribution of dollar funds for private purchasing.

The following arrangements have been made with the three local banks in Martinique for financing these orders: The importer makes no payment to the bank at the time credit is opened, but interest at the rate of 4 percent per annum accrues from the date of opening the credit until the account is finally liquidated. Upon arrival of the merchandise the banks deliver the shipping documents to the importer without payment of the account, the importer being allowed additional time to liquidate the letter of credit either by a lump payment or by a number of partial payments. Under these conditions the banks finance all imports; the usual method of handling letters of credit will, no doubt, be resumed upon the return of more normal conditions. While there has been no shortage of orders nor of dollars to effect payment, a distinct shortage of merchandise still exists.

Latin American Exchange Rates

NOTE.—Averages are actual selling rates for sight drafts on New York, in units of foreign currency, per dollar, with the following exception: Cuba—United States dollar to the peso. The peso of the Dominican Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to a dollar.

Country	Unit quoted	Type of exchange	Average rate			Latest available quotation		
			1942 (annual)	1943 (annual)	August 1944 (monthly)	Rate	Approximate equivalent in U. S. currency	Date
Argentina	Paper peso	Official A	3.73	3.73	3.73	3.73	$0.2681	Nov. 4, 1944
		Official B	4.23	4.23	4.23	4.23	.2364	Do.
		Bid	4.94	4.94	4.94	4.94	.2024	Do.
		Free market		4.06	4.0450	4.03	.2482	Do.
Bolivia	Boliviano	Controlled	46.46	42.91	42.42	42.42	.0236	Nov. 21, 1944
		Curb	49.66	45.42	50.00	57.00	.0175	Do.
Brazil	Cruzeiro [1]	Official	16.50	16.50	16.50	16.50	.0606	Sept. 11, 1944
		Free market	19.64	19.63	19.565	19.50	.0513	Do.
		Special free market	20.52	20.43	20.30	20.00	.0500	Do.
Chile	Peso	Special	19.37	19.37	19.37	19.37	.0516	Oct. 31, 1944
		Export draft	25.00	25.00	25.00	25.00	.0400	Do.
		Free market	31.75	32.37	31.69	31.78	.0315	Do.
		"D. P." [2]	31.13	31.00	31.00	31.00	.0323	Do.
Colombia	do	Commercial bank	1.75	1.75	1.75	1.746	.5727	Oct. 7, 1944
		Bank of Republic	1.76	1.76	1.76	1.755	.5698	Do.
		Curb	1.77	1.76	1.75	1.75	.5714	Do.
CostaRica	Colon	Uncontrolled	5.71	5.65	5.6776	5.70	.1754	Oct. 31, 1944
		Controlled	5.62	5.62	5.62	5.62	.1779	Do.
Cuba	Peso	Free	1.00	1.00	1.00	1.00	1.0000	Do.
Ecuador	Sucre	Central Bank (official)	14.39	14.10	14.10	13.50	.0741	Nov. 20, 1944
Honduras	Lempira	Official	2.04	2.04	2.04	2.04	.4902	Nov. 15, 1944
Mexico	Peso	Free	4.85	4.85	4.85	4.85	.2062	Oct. 31, 1944
Nicaragua	Cordoba	Official	5.00	5.00	5.00	5.00	.2000	Nov. 18, 1944
		Curb		5.16	5.76	6.20	.1613	Do.
Paraguay	Paper Peso	Official	333.00	[3] 333.00				
	Guarani [4]	do		3.10	3.12	3.12	.3205	Nov. 25, 1944
Peru	Sol	Free	6.50	6.50	6.50	6.50	.1538	Nov. 11, 1944
Salvador	Colon	do	2.50	2.50	2.50	2.50	.4000	Nov. 15, 1944
Uruguay	Peso	Controlled	1.90	1.90	1.90	1.90	.5263	Oct. 31, 1944
		Free	1.90	1.90	1.90	1.90	.5263	Do.
Venezuela	Bolivar	Controlled	3.35	3.35	3.35	3.35	.2985	Nov. 20, 1944
		Free	3.45	3.35	3.35	3.35	.2985	Do.

[1] Under law of Oct. 6, 1942, the cruzeiro became the unit of currency, replacing the milreis. Since Nov. 1, 1942, exchange quotations have been in terms of cruzeiros and centavos to the dollar.
[2] Disponibilidades proprias (private funds).
[3] Used until Nov. 7, when the paper peso was replaced by the guarani.
[4] New currency unit instituted as of Nov. 8, 1943. Paraguayan central bank establishes a "legal rate" from which buying and selling rates may vary by 1 percent. Since July 13, 1944, the legal rate has been fixed at 3.09 guaranis to the dollar, resulting in buying and selling rates of 3.059 and 3.121 respectively.

NOTE.—Special rates apply to automotive equipment and agricultural machinery imported from the United States into Argentina.

Sweden's Armed Forces Trained by Motion Pictures

The use of motion pictures for purposes of education in the armed forces of Sweden has been adopted, and every detachment is provided with facilities for exhibiting miniature films. The number of regimental theatres has increased from 9 in 1942 to 40 in 1944, and nearly 10,000 lessons are given to servicemen annually by the motion-picture method.

This greatly accelerated motion-picture program has increased demand for technical personnel, who are now being trained in a school set up jointly by the Army, Navy, and Air Forces. Besides giving instruction in the care and operation of projection equipment, the school will provide full instruction in shooting and processing miniature films. The immediate aim is to train 100 technicians.

U. S. Export Control and Related Announcements

(Developments communicated to the Trade Controls Unit up to Monday, December 18, 1944)

The Foreign Economic Administration has issued the following Current Export Bulletin:

No. 587—*Current Export Bulletin No. 215, December 11, 1944*

I. *Private Trade for Certain Commodities Restored to French West Africa*

A. The Foreign Economic Administration announces the limited restoration of private trade with French West Africa, including Mauritania, Senegal, French Guinea, Ivory Coast, Togoland, Dahomey, French Sudan, and Niger. Effective immediately, export license applications will be received by the Foreign Economic Administration for shipments of the automotive replacement and repair parts listed in paragraph D below.

B. Procedure for filing an export license application for French West Africa is summarized briefly as follows:

1. The export license application shall be prepared on form FEA 419 and shall include an additional copy, the sextuplicate. The application shall be submitted to the Requirements and Supply Branch, Foreign Economic Administration, Washington 25, D. C. The quintuplicate copy of the export license application should be retained by the exporter for his file.

2. The applicant should indicate the number of the import license covering the proposed shipment in answering question 5 of the FEA 419. If no import license has been obtained, the fact should be stated.

3. The country symbol for French West Africa. "FR–WA," should be noted under question 3 of the export license application.

C. Cargo for French West Africa shall be booked in accordance with the procedure outlined in Subject I, Current Export Bulletin No. 194 (Announcement 563 in FOREIGN COMMERCE WEEKLY for October 7, 1944). For shipments to French West Africa, the Statement of Cargo Availability, form FEA 138, should be filed in sextuplicate.

D. The following automotive replacement and repair parts may be exported to French West Africa. Additional commodities will be added to this list as soon as conditions permit:

Commodities	CMP No.	Schedule B No. —
Automotive replacement parts and accessories, including starting, lighting and ignition equipment, copper cables; high-tension wire in lengths not exceeding 100 feet; bolts, machine screws, nuts, rivets and washers; brake locks, woven, molded and semimolded; brake linings, not molded, molded and semimolded; clutch facing, woven, molded and semimolded and carbon brushes and stock when such items are to be used solely as automotive repair and replacement parts. (Note: bus bodies and parts are not included.)	105	7921.00, 7923.05. 7926.00, 7927.00. 7092.00, 6425.00. 6430.00, 6435.00. 6099.00, 5459.01. 5459.05, 5456.00. 5457.00, 5458.10. 5458.30, and 5474.01.
Batteries, 6- and 12-volt storage, when such items are to be used solely as automotive repair and replacement parts.	430	7013.00.

(All of the commodities above should be listed under the processing code "AUTO".)

II. *Certain French destinations included in Group G*

A. Effective immediately, the destinations listed below shall be included in Group G. All the general license provisions applicable to Group G destinations shall hereafter apply equally to these French areas:

Corsica.

French North Africa, including French Morocco, Algeria, and Tunisia.

French West Africa, including Mauritania, Senegal, French Guinea, Ivory Coast, Togoland, Dahomey, French Sudan, and Niger.

B. The country number 102 has been assigned to Corsica and must be included as part of the general license symbol for shipments under general license to that country. French West Africa and French North Africa have been assigned previously the country numbers 86 and 87, respectively.

III. *Changes in General Licenses*

Commodity	Department of Commerce schedule B number	General license Group, old	General license group, new	Effective date of change
Scientific, laboratory and professional instruments and apparatus, n. e. s. (include oxygen tents):	9190.98			
Breathing apparatus, oxygen, industrial	9190.98	K	K	
Canisters, gas mask, industrial	9190.98	K	K	
Detectors, carbon monoxide gas	9190.98	K	K	
Dynamometers, steam turbine	9190.98	None	None	
Indicators, hazard measuring, gas	9190.98	K	K	
Inhalators, industrial, safety	9190.98	K	K	
Masks, oxygen and safety (report gas masks in 9190.92)	9190.98	K	K	
Respirators, industrial	9190.98	K	K	
Resuscitating apparatus	9190.98	K	K	
Other scientific, laboratory, and professional instruments and apparatus, n. e. s.	9190.98	K	None	Dec. 18, 1944

Shipments of the above commodities removed from general license which were on dock, on lighter, laden aboard the exporting carrier or in transit to ports of exit pursuant to actual orders for export prior to the effective date of change may be exported under the previous general license provisions. Shipments moving to a vessel subsequent to the effective date of change pursuant to ODT permits issued prior to such date may also be exported under the previous general license.

Price Control

No. 23—*Prices on Swiss Watches Exported to U. S. Territories and Possessions (2d Revised Maximum Export Price Regulation, Amdt. No. 12)*

Effective December 12, 1944, the Office of Price Administration has issued Amendment No. 12 to the 2d Revised Maximum Export Price Regulation. This amendment provides that, except for the addition of export expenses as allowed by the Second Revised Maximum Export Price Regulation (Section 4 (b)), and the required deduction of any drawback of subsidy (Section 5), maximum prices which may be charged for Swiss watches that are exported to the United States Territories and Possessions, shall be the same as might be charged under Revised Maximum Price Regulation No. 499 if the sales were domestic in character.

The "Statement of Considerations Involved," which follows the text of the amendment, explains the application of the regulation to both wholesale and retail sales. The text of the Amendment and the statement of considerations involved follow:

PART 1375—EXPORT PRICES

[2d Rev. Max. Export Price Reg.,[1] Amdt. 12]

SWISS WATCHES

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

The Second Revised Maximum Export Price Regulation is amended by adding a new paragraph (f) to section 3 to read as follows:

(f) In the case of imported Swiss watches exported to the Territories and Possessions of the United States, the maximum export price shall be the maximum price established by Revised Maximum Price Regulation No. 499 which would be applicable to a sale of the commodity by the exporter to a domestic purchaser similar to the purchaser in the Territory or Possession, plus the allowable expenses authorized by section 4 (b) and less the deductions provided by section 5.

This Amendment No. 12 shall become effective December 13, 1944.

Issued this 8th day of December 1944.

CHESTER BOWLES,
Administrator.

* Copies may be obtained from the Office of Price Administration.

[1] 8 F.R. 4132, 5987, 7662, 9998, 15193; 9 F.R. 1036, 5435, 5923, 7201, 9834, 11273, 12919.

Comprehensive Export Schedule No. 16, dated December 9, 1944, is now available from the Government Printing Office, Washington 25, D. C., or from the Field Offices of the Department of Commerce, at 50 cents per single copy or $1.75 for four consecutive issues.

STATEMENT OF CONSIDERATIONS INVOLVED IN THE ISSUANCE OF AMENDMENT No. 12 TO THE SECOND REVISED MAXIMUM EXPORT PRICE REGULATION

This Amendment, which is being issued simultaneously with the issuance of Revised Maximum Price Regulation No. 499, provides that, except for the addition of export expenses as allowed by Section 4 (b) of the Second Revised Maximum Export Price Regulation and the deduction of any drawback or subsidy required by Section 5, maximum prices which may be charged for Swiss watches that are exported to the United States Territories and Possessions shall be the same as might be charged under Revised Maximum Price Regulation No. 499 if the sales were domestic in character.

It appears that purchasers in the United States Territories and Possessions have customarily gone directly to the importers in Continental United States as their source of supply and that these importers have customarily sold to customers in the Territories and Possessions at the same prices, except for additional expenses of shipment, that they charged similar domestic customers. The maximum prices established in Revised Maximum Price Regulation No. 499 for sales by importers may therefore properly be extended to export as well as domestic transactions. Should wholesalers in Continental United States be utilized, they will be entitled to the markups provided by Revised Maximum Price Regulation No. 499, but under these circumstances the watches would ordinarily move directly to retailers in the Territories or Possessions; where wholesalers are utilized at both ends of the transaction, they will be required to share the wholesale markup provided by Revised Maximum Price Regulation No. 499.

This action not only accords with historical practices of exporters of this commodity to the Territories and Possessions but also will enable the territorial offices of the Office of Price Administration to establish territorial maximum prices on the basis of the maximum prices set forth in Revised Maximum Price Regulation No. 499.

Issued this 8th day of December 1944.

CHESTER BOWLES,
Administrator.

Swiss Process to Aid Rebuilding of Damaged Cities?

The rebuilding of war-damaged cities may be considerably simplified, says the foreign press, by a mechanical process developed in Switzerland that turns out blocks cast of a mixture of rubble and cement. Eighty-five percent of the rubble from bombed houses can be used in the new building material, it is claimed.

Negotiations have been started for post-war delivery of the machines, which are reported to be a combination of three already existing machines. The press states that this "Zetka Process" soon will be put into use experimentally in Italy.

News by COUNTRIES

(Continued from p. 27)

and 18,000 gallons of kerosene were delivered to the Saudi Government through the port of Jidda. On the east coast 18,000 gallons of gasoline and 370 gallons of kerosene were delivered to the Government.

Gasoline and kerosene are not rationed to the local population, some of whom own private cars. The retail price per gallon of gasoline has been 40 cents and of kerosene, 30 cents.

Prices of foodstuffs, including vegetables, fruit, meat, and fish, in the Jidda market, rose 27 percent over the second quarter (Mohammedan calendar) of a year ago. Luxury foodstuffs packed in tins doubled in price.

Spain

Tariffs and Trade Controls

Fertilizers Placed Under Central Control.—The importation, manufacture, and distribution of phosphate and nitrate fertilizers in Spain was placed under the control of the General Commissariat of Supplies and Transport of the Ministry of Commerce and Industry by an order published in the Official Gazette of November 10, 1944, and effective immediately.

The order provides, in article 10, that each farmer is to receive quantities of fertilizer in accordance with the amount of produce he has delivered to the agriculture control authorities.

Union of South Africa

Transport and Communication

Air Services To Be Resumed.—The civilian air-line services between the various cities of the Union, which were suspended at the outbreak of war, are to be resumed within a short time, according to an announcement made by the Minister of Transport late in October.

The Government of the Union of South Africa is negotiating for the purchase of land in Durban for a new airport.

Uruguay

Tariffs and Trade Controls

Wheat: Import and Export Monopoly Proposed.—A monopoly over the importation and exportation of wheat, to be vested in an organization called The Wheat Institute, has been proposed in Uruguay, according to a projected law, dated August 9, 1944, published in the Diario Oficial of September 7, 1944.

The Institute's major functions will be to control and regulate the production, distribution, marketing, processing, and the consumption of wheat and its derivatives.

Corn: Exportation of 10,000 Tons Authorized.—The exportation of 10,000 tons of corn, and used burlap bags to export it, was authorized by Uruguayan decree No. 775/944, dated November 7, 1944. However, it was provided that the corn to be exported should be in the processed form of crushed, ground, or mixed feed corn, or in any other form with a base of corn.

Sulfa Drugs and Penicillin: Sales Regulations Established.—Benzedrine (beta phenyl isopropylamine) and its derivatives and salts, as well as veterinary preparations containing sulfonamides, barbiturates, or benzedrine have been declared to be subject to the Uruguayan regulations governing pharmaceutical specialties, by a resolution of the Ministry of Health, dated July 20, 1944, promulgated in the Diario Oficial of July 29, 1944, Montevideo.

This decree also provides that preparations containing penicillin or similar products, obtained from *Penicillium notatum* or from other species of fungi, may not be sold except under medical prescription. Pharmaceutical specialties containing these products will be subject to the general regulations applying to pharmaceutical specialties, and the label must show in addition to the other required data, the quantity of penicillin by weight or volume, expressed in Oxford units, as well as the date when its activity will cease.

[See COMMERCE REPORTS of January 20, 1940, for an announcement of regulations on the retail sale of barbiturates and sulfonamides.]

Venezuela

Transport and Communication

Airfields Inaugurated.—Airfields at Maturin and San Antonio, Venezuela, and a passenger station at the Santo Domingo airport, were formally inaugurated on October 12, 1944.

Among the construction projects for 1944–45 are airfields at Barcelona and Zaraza.

Radio Stations Inaugurated.—Radio stations at El Valle and Maiquetia, Venezuela, were completed and formally inaugurated on October 12, 1944.

New Books and Reports

(Continued from p. 39)

ARBITRATION IN INTERNATIONAL CONTROVERSY. Frances Kellor and Martin Domke. 1944. 101 pp. Issued under the auspices of Commission to Study the Organization of Peace and American Arbitration Association. Reviews the experience and appraises the capacity of arbitration in settling disputes, touching on the various problems involved.

Available from: American Arbitration Association, 9 Rockefeller Plaza, New York 20, N. Y.

The Philippine Sugar Industry

(Continued from p. 7)

operatives, others as individuals, and some named the mill as their selling agent.

Special Tariff Concessions

When the Philippines were under Spanish administration prior to 1898, the United States was an important purchaser of Philippine sugar. Thereafter, benefiting from special tariff concessions, the Philippines came to rely in an increasing degree on the United States market. After 1930, Philippine sugar exports to other countries fell to less than 1,000 tons per annum.

Production of sugar in the Philippines climbed steadily from less than 500,000 tons annually before 1920 to about 1,650,000 tons for the 1933–34 crop year, an achievement attributable more to the culture of improved strains of cane than to increased acreage. With a single relapse, to about 750,000 tons in the year following this peak output, production was stabilized at about 1,150,000 tons through 1941. Sugar consumption in the islands absorbed 75,000 to 100,000 tons per annum.

Beginning in 1902, the United States extended the advantage of special tariff exemptions to Philippine products, initiating a new accord between this Nation and its recently acquired dependency. Under this relationship, developments in United States policy regarding the admission of Philippine sugar to the mainland have been of paramount importance to the industry.

Sugar Statistics of the Philippine Islands

Crop year	Sugarcane harvested			Sugar produced			
	Acreage cultivated	Yield per acre	Calculated production of all cane harvested [1]	Total	Centrifugal	Muscovado	Panocha
	Acres	*Short tons*	*Short tons*	*Short tons*	*Short tons*	*Short tons*	*Short tons*
1921	595,066	9.89	5,883,948	533,188	219,370	282,622	31,196
1922	561,642	8.08	4,536,226	475,325	258,763	190,711	25,851
1923	561,395	9.02	5,061,999	529,091	325,046	172,245	31,800
1924	591,740	13.12	7,765,686	779,510	551,621	191,563	36,326
1925	572,886	10.06	5,764,913	607,362	407,703	163,682	35,977
1926	586,501	12.18	7,143,006	766,902	586,833	140,694	39,375
1927	585,636	12.88	7,544,010	807,814	634,585	128,989	44,240
1928	636,801	13.77	8,766,704	933,955	769,394	121,636	42,925
1929	640,063	13.63	8,721,127	983,767	866,913	77,346	39,508
1930	633,021	14.05	8,894,553	958,032	871,297	51,186	35,549
1931	625,435	17.10	10,695,670	1,174,311	1,100,214	41,671	32,426
1932	663,365	18.35	12,169,753	1,342,795	1,284,986	29,364	28,445
1933	755,854	19.89	15,035,377	1,652,593	1,597,949	23,339	31,305
1934	521,603	12.84	6,699,441	754,721	700,311	25,530	28,880
1935	619,603	14.26	8,833,004	1,042,630	978,865	28,309	35,456
1936	635,195	16.30	10,351,315	1,186,184	1,117,817	31,234	37,133
1937	563,215	17.84	10,050,301	1,115,574	1,054,631	27,047	33,896
1938	567,584	17.47	9,918,352	1,149,376	1,088,510	27,443	33,423
1939	589,951	16.97	10,010,958	1,141,841	1,049,015	63,886	28,940
1940				1,148,000	1,035,000		
1941				1,167,000			

[1] Based on the estimated quantities of cane used for various products.

SOURCE: "The World Sugar Situation" (compiled from reports of Philippine Department of Agriculture and Commerce).

Quota Restrictions

For some years prior to the current war, the assignment of a quota limiting the amount of Philippine sugar which might be landed in the United States each year restrained increases in production. The volume of sugar produced in the Philippines, as in many of the world's cane-growing regions, was limited less by productive capacity than by the extent of available markets, and Philippine output therefore was roughly equivalent to the size of the shipments which supplied the United States quota. This favorable treatment of sugar was to be partially withdrawn under the program for Philippine independence until, in accordance with the law as it stood when war came, in 1946 a full-duty basis would be in effect. The war ended sugar shipments and made the program inoperative.

Future Trends

Today, the situation is reversed, and supply, rather than demand, is the uppermost factor in the sugar position of the United States and its Allies. With demand likely to become even more pressing with the cessation of hostilities in Europe, such Philippine sugar as becomes available in the immediate future will find a ready market.

The time will come, however, in the post-war years when Philippine sugar producers will be confronted with a marketing problem. The day of acute sugar shortages will be past and production in many areas will be restored to prewar levels equaling or exceeding effective demand. The industry must take stock of the factors which will affect world price of sugar and determine how successfully it can meet international competition.

Courtesy Commonwealth of the Philippines

In one of the sugar warehouses on a big Philippine central.

Mexico's New Brewery

A brewery reportedly is to be erected at Torreon, State of Coahuila, Mexico, at a cost of about $260,000 (United States currency). The new plant will be an affiliate of Cía. Cervecera de la Laguna, S. A., of Chihuahua, whose monthly production, upon completion of the Torreon extension, will be stepped up to 800,000 liters of beer, 1,000 tons of ice, 15,000 kilograms of carbon dioxide, and 800 kilograms of yeast.

Luzon—

(Continued from p. 5)

veloped by American and Japanese capital in Davao Province, Mindanao. From this area came about 80 percent of the better-grade fiber used by rope manufacturers in the United States before the war. The Philippine abacá industry, however, was for centuries a native enterprise, and Luzon was its home.

Indigenous to that island, the fiber was used in the manufacture of rope and fish nets and for weaving into "sinamay" before the coming of the Spaniards. In 1820 a sample was taken from Manila to Salem, Mass., by a lieutenant in the U. S. Navy, but abacá did not achieve its world fame until Philippine ports were opened to foreign trade about the middle of the century. Thereafter its reputation as a cordage fiber grew rapidly, and cultivation of the banana-like plants on small tracts of land by individual farmers spread from Luzon to islands in the south. The essentially primitive character of cultivation of the plant and preparation of the fiber for the market gave employment to approximately 25 percent of the population, and, until about the middle of the American era in the Philippines, abacá remained the country's chief export crop. As late as 1904 it accounted for 70 percent of the total value of exports, and it was not until 1918 that the annual value of abacá trade was surpassed by that of sugar. Shipped to all parts of the world before the war, Philippine abacá is today shrouded in mystery. Outside the Islands it remains a military secret; within its native habitat . . . as yet we cannot know.

No part of Luzon is better adapted to the cultivation of abacá than the peninsula region, especially the two southernmost provinces of Albay and Sorsogon. In 1938 about 33,000 metric tons from southern Luzon accounted for 23 percent of total Philippine production of the fiber.

The agricultural products briefly reviewed above—tobacco, rice, sugar, coconuts, and abacá—accounted for 95 percent of the cultivated land in Luzon in 1938, according to the Philippine Census of 1939. From the standpoint of value of crops harvested, Luzon's agricultural production in turn amounted to 53 percent of the total agricultural output in the Philippines that year. Exclusive of rice, which is produced for home consumption, these same agricultural products and their derivatives, such as cigars, copra, and cordage, accounted for around 80 percent of Philippine export trade—not including gold shipments—before the war.

Store of Metals

Luzon's resources, however, are not confined to tropical agricultural produce, impressive as that may be. This island's mountain ranges yield gold, as well as a large portion of the base metals which in recent years have assumed a position of major importance in Philippine export trade and economy.

View in the Escolta, leading business district of Manila, just before the outbreak of World War II.

The history of Philippine gold mining goes back many generations. Natives of Mountain Province were making earrings and other ornaments of gold long before Spanish explorers penetrated the region. Mining efforts on the part of the Spanish were desultory and handicapped by lack of capital, and the yellow metal remained safe in its mountain fastness during three and a half centuries of Spanish rule.

Modern gold mining was initiated only some 30 years ago. With improved knowledge of the science of metallurgy and greater capital and initiative, American prospectors met with conspicuous success in the Benguet region of Mountain Province. Thus was more extensive interest in prospecting and investment of both American and Philippine capital stimulated, and finally in 1933 the increase in price of gold encouraged the development of low-grade properties previously regarded as unprofitable.

Production increased by leaps and bounds, rising from a total value of about $5,000,000 in 1932 to over $39,000,000 in 1940. Shipped to the United States in the form of bullion, gold in 1938 became second only to sugar in Philippine export trade.

Although the position of Mountain Province in the gold-mining industry has remained unchallenged for centuries, some very old and productive mines are located in the province of Camarines Norte, southern Luzon. In 1629 one Don Diego de Espina discovered a rich vein in this region where Chinese pirates had sacked gold in the fifteenth and sixteenth centuries. It was not, however, until many years afterward—about the time the Philippine Commonwealth was established in 1935—that modern flotation plants and equipment opened up a lode which today is known, from the standpoint of recovery per ton, as the richest gold mine in the Far East.

Of Luzon's total gold production in 1940—valued at $31,000,000, or 79 percent of the country's output—Mountain Province accounted for 68 percent and Camarines Norte for 28 percent. The insignificant remaining amounts came from one mine each in Camarines Sur, Bulacan, and Batangas Provinces, all in southern Luzon.

Gold mines in the Philippines were flooded by American forces in 1941, and during Japanese occupation it is believed the mines have lain dormant, the Japanese stripping them of equipment for use in reclaiming copper, which is more important to their war effort.

Nearly 95 percent of Philippine production of copper concentrates in 1940 came from Mountain Province and Camarines Norte, the oldest and largest mine being at Mankayan in Mountain Province. Here the Spaniards found

Igorots using Chinese methods of mining and smelting the ore. Production in Camarines Norte was centered chiefly in the Mambulao and Paracale gold-mining districts. Eighty-five percent of Philippine copper ore came in 1940 from Rapu Rapu, a small island east of the mainland of southern Luzon and part of Albay Province. Copper ore went entirely to Japan before the war, while copper concentrates were shipped to the United States as well as to Japan.

Large Reserves of Chrome

A single province, Zambales, on the mountainous western coast, was responsible in 1940 for 95 percent of Philippine chrome production. Discovered only in 1922, the chrome reserves are thought to be among the largest in the world. Two American companies were responsible for most of the production, though several smaller concerns were in operation before the war, while the Philippine Government held three reservations in the province. Formerly the United States was the market for most Philippine chromite.

Southern Luzon is an important center for iron ore, mines in Camarines Norte producing over 700,000 tons, or 59 percent of total Philippine output in 1940. All other important iron deposits are outside Luzon.

Japan's active buying of raw materials, beginning in 1932, stimulated interest in Philippine iron-ore deposits. The long haul and high freight rates across the Pacific precluded shipment of iron to the United States, while Japan's proximity and accelerated demand provided a convenient outlet for the total Philippine production of approximately 1,000,000 tons annually. A severe shipping shortage is believed to have hampered maximum shipment of iron ore to Japan during the war.

Over Half the Area Wooded

The Philippine Islands, it is claimed, once were entirely covered with forest growth, from the plains at sea level to the highest mountain tops. Today public forests comprise more than 43,000,000 acres, or nearly 60 percent of the total land area. In 1939 the Philippine Bureau of Forestry estimated the volume of standing commercial timber at 464,740,000,000 board feet, with an approximate value of $4,000,000,000.

At the beginning of American occupation this store of wealth seems to have been little appreciated; forest operations were limited, and the total number of tree species which had been identified was about 1,200. Today some 3,000 species of trees which attain a diameter of 1 foot or more are recorded.

In few countries of equal size do commercial woods offer a wider range of color, grain, hardness, and other qualities required for special uses. From the tropical Philippine forest come woods so hard that they are impervious to attack by white ants, together with softer woods which are excellent for cabinet work and inside finishing.

Southern Luzon's Timbers

The more extensive forest areas naturally are in the less populated and underdeveloped regions of Mindanao, Palawan, and other islands south of Luzon. The mountainous provinces of Luzon, however, yield important quantities of timber. In the north, Mountain Province is noted for its pines, while in Camarines Norte and Sur in southern Luzon are heavy stands of red and white lauan, the "Philippine mahogany" of commerce.

Luzon as a whole accounted for 38 percent of the timber cut in 1938, while 45 percent of sawed lumber came from mills in the northern island.[1] Cavite was the only province which did not report timber cut in 1938, and La Union and Abra, with Cavite, the only provinces not showing some lumber output. The greatest number of sawmills were in Mountain Province, Tayabas, the Camarines, Nueva Ecija, and Bataan.

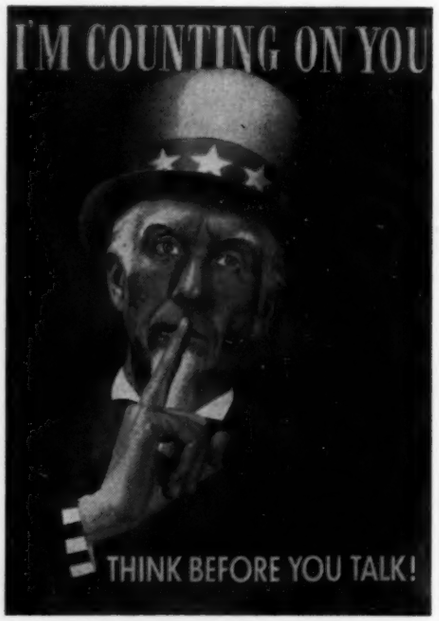
In the mining districts of Mountain Province and southern Luzon considerable logging and sawmilling was carried on by mining companies, which produced lumber and timber primarily for their own use. One of two plywood and veneer factories in the Islands before the war was located in Tayabas Province, the other being in Mindanao. Both factories were Japanese-owned and operated.

Philippine forests have been referred to as "money in the bank," from which Filipinos may draw "interest" while the "principal" remains intact. Unfortunately a policy of wise conservation has not always existed. In the past much forest area was cleared for small farming plots and the land planted in quick-growing crops. Such clearings were generally soon forsaken for new and "greener pastures" and the land abandoned to jungle growths of cogon grass and weeds.

In time, unlicensed clearing of forest lands was forbidden by law, but it was not until the latter years of the Commonwealth regime that appreciable progress was made toward forest conservation. During the 3 or 4 years before the war a number of reforestation projects were inaugurated, some of the more important being in the provinces of northern and southern Luzon.

From 75 to 80 percent of the pre-war timber production was utilized locally. Export trade consisted mainly of shipments to the United States of the better-quality cabinet woods and of logs to Japan. Other lumber markets were the United Kingdom, China, Australia, and South Africa.

[1] Census of the Philippines 1939. Establishments producing lumber by means of hand sawing were included in the census, and data were shown only for species of which 20,000 cubic meters or more were cut.



Minor Forest Products

Of greater significance to the average Filipino are forest products other than fine-grained lumber. The near-at-hand wooded areas give him not only firewood and charcoal—mainly from mangrove swamps—but rattan, nipa and buri leaves, bamboo, vines, and barks. With bamboo he builds his home—posts, beams, rafters, and walls—while fronds of nipa palms furnish the thatched roof. As all parts are tied and bound with rattan or bamboo strips, there is no need of nails. Rattans are used also in the making of furniture and many small household articles. Leaves of the buri palm go into the manufacture of hats for export and numerous small woven articles for local use.

The mountainous regions of northern and southern Luzon yield an abundance of these minor forest products, gathered by the hill peoples and brought to lowland markets. Philippine gums, notably copal and elemi, are especially abundant in southern Luzon. Both are exported for use in the manufacture of varnishes and lacquers, and elemi is employed locally for torches and calking boats.

Luzon, Center of Interest

When war came to the Philippines nearly 9,000 Americans were in the Islands, 80 percent of whom lived in Luzon with more than 5,000 in Manila and Rizal Province, in which Manila is located.[2] The largest American colony outside Luzon was in far-away Zamboanga, Mindanao, where some 260 resided. Smaller numbers also lived in the Visayan group of islands, notably Negros, Cebu, and Panay.

It was the country's business, economic, and political life radiating from Manila, however, that attracted Americans during the 40-odd years prior to the Japanese invasion—and, notwithstanding opportunities which may exist for the development of untapped resources in islands to the south, civilian Americans may be expected to return in greatest numbers to the "Distinguished and Ever Loyal City" in Luzon when the war is over.

[2] Philippine Census of 1939.

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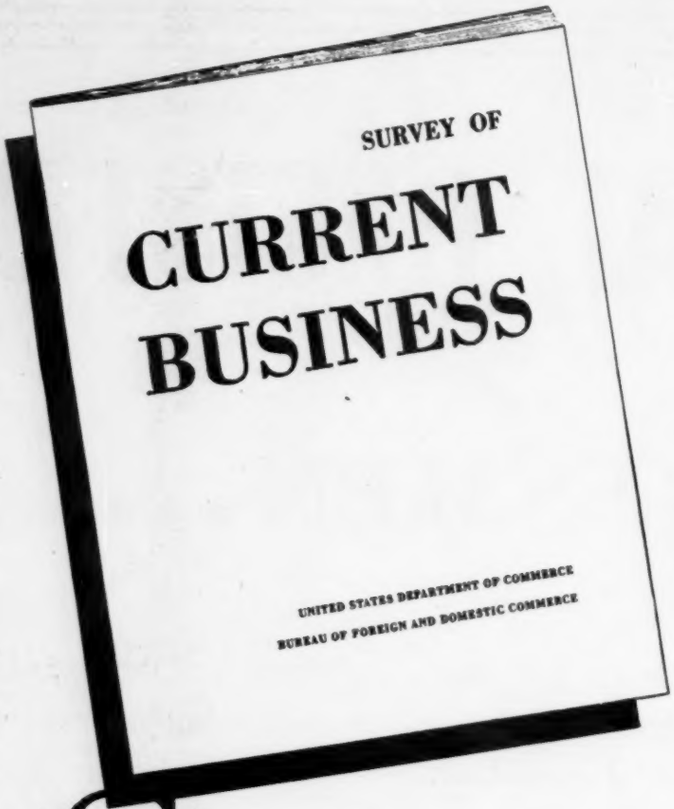

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